

July 03, 2025

Akara Capital Advisors Private Limited: Rating confirmed as final for PTCs backed by personal loan receivables issued by DONNIER - 2025

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
DONNIER - 2025	Series A1 PTCs	20.32	[ICRA]A(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationale

ICRA had assigned provisional rating to the pass-through certificates (PTC) issued by DONNIER - 2025 under a securitisation transaction originated by Akara Capital Advisors Private Limited (ACAPL/Originator; rated [ICRA]BBB (Stable)). The PTCs are backed by personal loan receivables originated by ACAPL with an aggregate principal outstanding of Rs. 23.76 crore (pool receivables of Rs. 31.01 crore). ACAPL is also the servicer of the rated transaction. Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any prepayment in the pool would be used for the prepayment of the Series A1 PTCs principal. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis.

However, on the occurrence of predefined trigger events, the 100% residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTCs till its full redemption. The event is triggered on breach on any of the following conditions (i) Portfolio at risk (PAR)>90 of the pool exceeds more than 5% of the initial principal outstanding and/or, (ii) the current collection efficiency in respect of the pool is less than 90% for any two consecutive payouts (iii) Rating downgrade by two notches by rating agencies from the existing standalone rating of the Originator / Seller / Servicer / PTC Instrument.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the initial pool principal, amounting to Rs. 1.19 crore, provided by the Originator, (ii) subordination of 14.50% (comprising equity tranche of 7.50% and overcollateral (OC) of 7.00%) of the initial pool principal for Series A1 PTCs, and (iii) the EIS of 21.26% of the initial pool principal for Series A1 PTCs.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 5,171 contracts, with top ten contracts forming less than 1.5% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination/OC and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

Healthy bureau score of borrowers – In the pool, all the borrowers have a CIBIL score above 700, which reflects their relatively better credit profile.

Seasoned contracts in the pool –The pool has moderate amortisation of ~19% as on the cut-off date thereby reflecting the borrowers’ better credit profile and buildup of borrower equity.

Adequate servicing capability – The company has adequate processes for servicing the loan accounts in the securitised pools. It has a demonstrated track record of ~4.5 years of regular collections and recoveries in the portfolio.

Credit challenges

Overdue contracts in the pool – ~5% of the pool principal has contracts which are delinquent upto a month as on the cut-off date. Further, ~9% of the pool principal has contracts which have reported delinquency of upto a month in the past. Also, portfolio delinquency has shown an increasing trend since past one year and so the company’s ability to control slippages would be a key monitorable, going forward.

Risks associated with lending business – The pool’s performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The pool is exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

Key rating assumptions

ICRA’s cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator’s loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA’s cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 7.00% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction Name		DONNIER - 2025
Originator		Akara Capital Advisors Private Limited
Servicer		Akara Capital Advisors Private Limited
Trustee		Catalyst Trusteeship Limited
CC holding bank		ICICI Bank Limited
Collection and payout account bank		ICICI Bank Limited

Liquidity position: Strong

The liquidity for the instruments is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~4.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The rating could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the CE cover for the remaining payouts.

Negative factors – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher CE utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Akara Capital Advisors Pvt Ltd (ACAPL) is a Delhi-based non-deposit taking NBFC registered with the Reserve Bank of India (RBI) since 2016. It started operations in 2017. The company primarily provides unsecured short-term personal loans to salaried individuals through web and mobile platforms. It was started by Mr. Tushar Aggarwal, Ms. Shruti Aggarwal and Mr. Parikshit Chitalkar, who have several years of experience in the financial services industry. ACAPL is currently owned by Morus Technologies, a Singapore-based neobanking start-up backed by investors like Tencent, Blowfish Ventures, Divine Blessings, Altara Ventures, Uncorrelated Ventures, etc. In terms of management bandwidth, the company has strengthened the second line of management and hired experienced professionals from the industry.

ACAPL is a 100% subsidiary of Morus Technologies Pte Ltd (holding company incorporated in Singapore; MTPL). The Group has another wholly-owned subsidiary, EQX Analytics Private Limited (EQXAPL), which houses the technology platform known as StashFin and sources leads. The technology platform is used by ACAPL and other co-lenders for lending to customers.

Key financial indicators (standalone; audited)

ACAPL (standalone)	FY2023	FY2024	FY2025
Total income	216	784	710
Profit after tax	8	69	85
Total managed assets	1,871	1,996	1,925
Gross stage 3	6.7%	4.0%	4.6%
CRAR	29.0%	31.7%	31.2%

Source: Company, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years			
		Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024
				July 03, 2025	June 30, 2025		
DONNIER - 2025	Series A1 PTCs	20.32	20.32	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTCs	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
INE27JK15012	DONNIER - 2025	Series A1 PTCs	June 30, 2025	14.00%	January 17, 2028	20.32	[ICRA]A(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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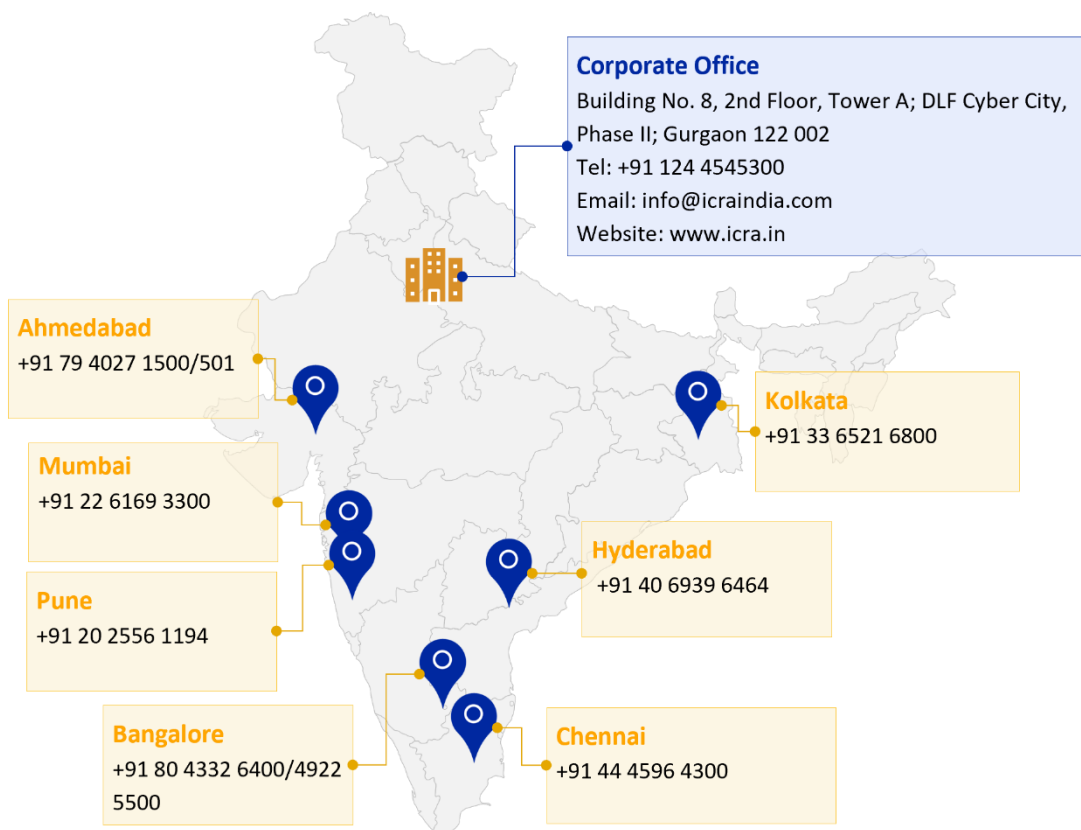


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