July 24, 2026

Akara Capital Advisors Private Limited: Rating reaffirmed for PTCs issued under personal loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Amount Rated (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current Amount Rated (Rs. crore)	Rating Action	Financial Sector Regulator#
DONNIER - 2025	Series A1 PTCs	20.32	NA	2.36	[ICRA]A(SO); Reaffirmed	SEBI

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The pass-through certificates (PTCs) are backed by a pool of personal loan receivables originated by Akara Capital Advisors Private Limited (ACAPL/Originator; rated [ICRA]BBB (Stable))[1]. ACAPL is also the servicer for the rated transaction.

The rating has been reaffirmed on account of the build-up of the credit enhancement cover over the future PTC payouts on account of high amortisation of pool and PTC. The rating draws comfort from the fact that the breakeven collection efficiency is comfortable compared to the actual collection levels observed in the pool till the June 2026 payout month.

Pool performance summary

Parameter	DONNIER - 2025
Payout month	June 2026
Months post securitisation	12
Pool amortisation	73.1%
PTC Series A1 amortisation	88.4%
Cumulative collection efficiency[2]	82.3%
Loss-cum-30+ days past due (dpd[3]; % of initial pool)	12.7%
Loss-cum-90+ dpd[4] (% of initial pool)	11.8%
Cumulative CC utilisation	0.0%
CC available (as % of balance pool)	18.6%
Excess interest spread (EIS[5]; % of balance pool): PTC Series A1	13.8%
Principal subordination (% of balance pool): PTC Series A1	63.1%
Breakeven collection efficiency[6]: PTC Series A1	16.6%

[1] *The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions*

[2] *(Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction)*

[3] *Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 30 days, as a % of Initial pool principal*

[4] *Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 90 days, as a % of Initial pool principal*

[5] *(Pool cash flows – Cash flows to PTC investors – Originator's residual share)/Pool principal outstanding*

[6] *(Balance cash flows payable to investor – CC available)/Balance pool cash flows*

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. As on date, the trigger events in the transaction has been breached and hence the transaction follows turbo structure.

Key rating drivers and their description

Credit strengths

Build-up in credit enhancement – There is a build-up in the credit enhancement with cash collateral and subordination increasing to ~19% and ~63 respectively of the balance pool principal for the pool compared to 5.0% and 14.5% respectively at the time of securitisation. Internal credit support is also available through EIS.

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

Deterioration in the pool performance - The pool reported a deterioration in its collection efficiency in the past few months and significant rise in the delinquency of the pool with 90+ dpd being at ~12% as on June 2026 payout month. However, the breakeven collection efficiency is much lower as compared to the monthly collection efficiency of the pool. Akara's ability to strengthen its collection efforts in the near term, thereby recovering higher amounts from the delinquent borrowers and ensuring a sizeable improvement in the collection efficiency, remains a key monitorable.

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 pools, ICRA has estimated the shortfall in the pool principal collection during its tenure at 11.75% with certain variability around it. The average prepayment rate for both the underlying pools 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 ratings for the instruments.

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 ~2.00 times the estimated loss in the pool.

Rating sensitivities

Positive factors– The rating could be upgraded when the CC entirely covers the outstanding PTC payout obligations.

Negative factors – The continued weak collection performance of the underlying pool leading to further increase in delinquency 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 performance of the pool till the June 2026 payout month (May 2026 collection month), the present delinquency profile of the pool, the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

Analytical Approach	Comments
Applicable rating methodologies	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. ACAPL is currently owned by MTPL, a Singapore-based neobanking start-up backed by investors like Public Blowfish Ventures, Divine Blessing Investments, Altara Ventures, Positive Moves Consulting, Fasanara Capital, Tencent Group, Uncorrelated Ventures, etc.

ACAPL is a 100% subsidiary of MTPL (holding company incorporated in Singapore). 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 (Rs. crore)

Akara	FY2024	FY2025	FY2026
Total income	784	710	947
Profit after tax	69	85	83
Total managed assets	1,996	1,919	3,142
Gross stage 3	4.0%	4.3%	4.4%
CRAR	31.7%	31.2%	21.7%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Akara Capital Advisors Private Limited is rated by ICRA and its rating was never migrated to speculative /default category in the past. The current rating rationale of the originator, available at this link.

Rating history for past three years

Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years			
	Instrument	Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024
				July 24, 2026	July 03, 2025	June 30, 2025	-	-
DONNIER - 2025	Series A1 PTCs	20.32	2.36	**[ICRA]A(SO)**	**[ICRA]A(SO)**	**Provisional [ICRA]A(SO)**	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTCs	Highly 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 Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating	Financial Sector Regulator#
INE27JK15012	**DONNIER - 2025**	Series A1 PTCs	June 30, 2025	14.00%	January 17, 2028	2.36	[ICRA]A(SO)	SEBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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