



Press Release
Akara Capital Advisors Private Limited
July 11, 2024
Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	10.00	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs. 10.00 Cr. bank facilities without assigning any rating of Akara Capital Advisors Private Limited as the instrument is fully repaid. The withdrawal is on account of request received from client and NDC recived from the banker. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

About the Company

Incorporated in 2016, Akara Capital Advisors Private Limited (ACAPL) is a Delhi based Nondeposit taking NBFC (ND-NBFC) registered with RBI effective 2017. ACAPL is promoted by Mr. Tushar Aggarwal and Mrs. Shruti Aggarwal, who collectively have over two decades of experience in financial services. ACAPL is engaged in lending customized personal loan products ranging Rs.0.01 lacs to Rs.5 lacs, primarily to salaried customer segment. The company is originating and disbursing loan through 'Stashfin', a platform developed and operated by group company, EQX Analytics Private Limited (EAPL). The company's AUM stood at Rs.1839.36 Cr. as on March 2024.

About the Group

Morus Technologies Pte Limited (MTPL) is a Singapore based company that commenced its operations in 2017 and is engaged in providing lending and tech services through its subsidiaries, ACAPL and EAPL respectively. MTPL is promoted by Mr. Tushar Aggarwal and Mr. Parikshit Chitalkar and is backed by investors like Tencent Cloud Europe BV and Uncorrelated Ventures and senior investment professionals of KKR.

About the Guarantor

Northern Arc, previously known as IFMR Capital Finance Ltd., is a Non-Deposit taking NonBanking Financial Company (ND-NBFC) incorporated in 1989. It is involved in the placement (arranging funding for its clients via loan syndication, securitisation and assignment among others) and lending business. The company acts as a link between mainstream capital markets investors and highquality last mile lending institutions and businesses. The company's business is categorized as finance sector exposure, i.e., microfinance, affordable housing finance, commercial vehicle finance, consumer finance, agri-finance and small business loans, and non-finance sector exposure, i.e., mid-market finance and corporates.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation-Not Applicable

Rationale for Consolidation or Parent / Group / Govt. Support

Not Applicable

Key Rating Drivers

Strength

Not Applicable

Weakness

Not Applicable

ESG Factors Relevant for Rating

Not Applicable

Rating Sensitivity

Not Applicable

All Covenants (Applicable only for CE & SO Ratings)

Not Applicable

Liquidity Position

Not Applicable

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Audited)	FY23 (Restated- Audited)
Total Assets	Rs. Cr.	1504.37	1433.51
Total Income*	Rs. Cr.	656.21	140.69
PAT	Rs. Cr.	68.82	7.8
Net Worth	Rs. Cr.	592.77	411.4
Return on Average Assets (RoAA)	(%)	4.69	0.76
Return on Average Net Worth (RoNW)	(%)	13.71	2.25
Debt/Equity	Times	1.48	2.4
Gross NPA (Owned portfolio)	(%)	4.98	4.03
Net NPA (Owned portfolio)	(%)	2.21	2.62

*Total income equals to Net Interest Income plus other income

Key Financials (Consolidated)

Particulars	Unit	FY22 (Prov.)	FY21 (Prov.)
Total Assets	Rs. Cr.	782.88	308.19
Total Income*	Rs. Cr.	78.53	24.59
PAT	Rs. Cr.	(22.09)	(17.43)
Net Worth	Rs. Cr.	207.12	217.29
Return on Average Assets (RoAA)	(%)	(4.05)	(11.31)
Return on Average Net Worth (RoNW)	(%)	(10.41)	(16.05)
Debt/Equity	Times	2.61	0.34
Gross NPA	(%)	N/A	N/A
Net NPA	(%)	N/A	N/A

*Total income equals to Net Interest Income plus other income

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any Other Information

None

Applicable Criteria

- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jun 2024	Term Loan	Long Term	10.00	ACUITE BB+ (CE) (Downgraded & Issuer not co-operating* from ACUITE BBB (CE))
29 Dec 2023	Term Loan	Long Term	10.00	ACUITE BBB (CE) (Downgraded & Issuer not co-operating* from ACUITE A- (CE) Stable)
	Proposed Term Loan	Long Term	25.00	ACUITE Not Applicable (Withdrawn)
	Proposed Term Loan	Long Term	15.00	ACUITE Not Applicable (Withdrawn)
	Proposed Term Loan	Long Term	100.00	ACUITE Not Applicable (Withdrawn)
30 Sep 2022	Proposed Term Loan	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Term Loan	Long Term	100.00	ACUITE BBB Stable (Assigned)
	Proposed Term Loan	Long Term	25.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE A- (CE) Stable (Assigned)
01 Jul 2022	Proposed Term Loan	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Term Loan	Long Term	25.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Term Loan	Long Term	10.00	ACUITE Provisional A- (CE) Stable (Reaffirmed)
04 Apr 2022	Proposed Long Term Loan	Long Term	10.00	ACUITE Provisional A- (CE) Stable (Assigned)
	Proposed Long Term Loan	Long Term	25.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
30 Dec 2021	Proposed Long Term Bank Facility	Long Term	25.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	15.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	27 Jun 2024	Simple	10.00	Not Applicable Withdrawn

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No.	Company Name
1	Akara Capital Advisors Private Limited (ACAPL)
2	Morus Technology Private Limited (MTPL)
3	EQX Analytics Private Limited (EAPL)

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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