



Press Release
WESTERN CAPITAL ADVISORS PRIVATE LIMITED
May 28, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	200.00	ACUITE A- Negative Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) on the Rs. 200.00 crore bank loan facilities of Western Capital Advisors Private Limited (WCAPL). The outlook is '**Negative**'.

Rationale for the rating

The rating factors in the company's significant decline in the profitability over the last two financial years, due to the closure of the supply chain business in the FY24 and the extensive operational expenditure on Prabhaav Loans in FY25. The PAT in FY25 stood at Rs. 16.81 Cr. and in FY24 stood at Rs. 20.54 Cr. and in FY 23 it was Rs. 33.11 Cr. which is a ~38% decline in FY24 and a ~18% decline in FY25. Moreover, the profitability metrics as indicated by Return on Average Assets (ROAA) at 2.33 percent for FY25 as against 2.82 percent for FY24 has shown a similar decline as well. The shift in business strategy and vision towards retail loans (Prabhav Loans) has seen operating expenses in setting up this business line affect the firms profitability.

However these weaknesses are partially offset by the experienced management along with the support from resourceful promoters of Kejriwal Group. This support is shown via the adequate capitalisation levels at 39.66 percent with a tangible network of Rs. 288.53 crore as on March 31, 2025. WCAPL has demonstrated sound asset quality metrics as it is reflected through the lower Net Non-performing (NNPA) levels of 0.08 percent as on March 31, 2025 as against 0.33 percent as on March 31, 2024. The AUM has increased from Rs. 526.17 Cr. in FY24 to Rs. 701.04 Cr. where Prabhaav loans already constitutes ~18% of the overall AUM. Moreover, the substantial investment into the retail lending division is to yield returns as soon as the current financial year where there the operating income is expected to grow vis-a-vis the extensive infrastructure expansion that is taking place and therefore the performance of this development would be a key monitorable.

About the company

WCAPL based out of Mumbai was founded in 2019 with a vision to support the financial services ecosystem by providing growth capital to upcoming players including NBFCs / Fintechs / MFIs / SMEs. In FY21, the company diversified into Supply Chain Financing and Business Correspondent (BC) Retail lending partnerships. In FY24, the company pivoted towards secured MSME retail lending under its proprietary branch-led model, "Prabhaav Loans", and scaled back Supply Chain Financing due to shifting macroeconomic conditions. This strategic shift also aligned with RBI's Digital Lending Guidelines, transitioning from high-risk, high-FLDG models to lower-risk MSME-focused lending under retail partnerships.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered a standalone approach to the business and financial risk profile of WCAPL to arrive at the

rating.

Key Rating Drivers

Strength

Support from Promoter group coupled with experienced management.

WCAPL commenced its operations in 2019 and has received continuous support in the form of periodic capital infusion from the promoter group since its inception. WCAPL is promoted by the Kejriwal Group led by Kejriwal family. The Kejriwal group has infused funds amounting to Rs 173.75 crore since inception comprising equity and preference capital. Furthermore, Mr. Anil Kejriwal, founder of WCAPL is able backed by senior management team of WCAPL consisting of experienced professionals who have been in the lending business and have been associated with WCAPL since inception. Acuité believes that the company's growth prospects will be supported by the promoters experience in the industry along with their demonstrated track record of resource raising ability.

Healthy capital structure with stable gearing levels.

The company has comfortable capitalization levels to support the near to medium term growth prospects. The capitalization levels of WCAPL majorly comprises Tier I capital, where CRAR stood comfortable at 39.66 percent (Tier I: 38.99 percent) as on March 31, 2025. The same stood at 51.90 percent (Tier I: 50.72 percent) as on March 31, 2024. The company's capital structure is supported by a net worth of Rs. 288.53 crore as on March 31, 2025 and total debt of Rs. 489.92 Cr. resulting in a gearing of 1.70 times as on March 31, 2025 as against 1.21 times as on March 31, 2024 which will provide headroom for near term growth. Going forward, the company intends to leverage itself at around 3.00 to 3.50 times in the near to medium term. Acuité expects the capital structure to remain healthy with the healthy gearing levels considering the additional borrowings.

Emergence of Prabhaav loans

WCAPL in FY25 shifted their whole focus to Prabhaav loans which has allowed the firm to transition from its supply chain lending portfolio to LAP / Affordable home loans. LAP loans are primarily for secured loans for business expansion and debt consolidation while under the affordable home loan segment the firm lends to projects where there is self construction or any extension of existing property. The target customer segment is in Tier-2 to Tier-6 locations where the ROI would vary from 14-24 percents with an average ticket size of 8-9 lakh rupees. The tenure of these loans are ranging from 4 to 20 years. In FY25 Prabhaav loans have already contributed Rs. 123.2 Cr. to the AUM from a setup of 42 retail Prabhaav loan branches in 4 states off Rajasthan, Gujarat, Maharastra and Madhya Pradesh. WCAPL plans to continue the expansion phase in FY26 with the same rigour of FY25 where they are looking to open another 42 branches in three more states. Therefore, Acuite believes that WCAPL's ability to grow their AUM and Operating income in FY26 would be key monitorable as it would be a key indicator of the operational performance of the new branches that are being opened.

Weakness

Deteriorating earning profile

The profitability of the company has deteriorated during FY25 and FY24 reflected by Return on Average Assets (ROAA) at 2.33 percent for FY25 as against 2.82 percent for FY24 as against 4.59 percent for FY23. Such deterioration comes at the back of shift in strategy as investment and disbursements are now going towards retail loan financing following a complete closure of its supply chain business. This closure of the supply chain business had affected the AUM and the loan portfolio for FY24 as the supply chain business held around 33% of the total AUM and loan portfolio, which is why it can be observed that the AUM had reduced from Rs. 752.18 Cr. in FY23 to Rs. 526.17 Cr. in FY24. However the introduction of Prabhaav loans into te portfolio mix has already allowed WCAPL to grow their AUM back to Rs. 701.04 Cr. where Prabhaav loans itself is contributing Rs. 123.20 Cr to the total AUM. The profit after tax of the company stood at Rs. 16.81 crore for FY25 as against Rs. 20.54 crore for FY24. The Net interest margin improved to 8.94 percent for FY25. Acuité believes that going forward the ability of the company to grow its loan portfolio while improving its operating income will be key monitorable.

Moderate scale of operations

The company commenced with SME/MSME lending and is diversifying into building a granular retail segment. Loans offered under FI/SME lending have an average tenure ranging between 3 to 24 months. WCAPL offers loan with ticket size ranging between Rs 2 lakhs to Rs 15 Cr. As on March 31,2025 around 43.33 percent of the outstanding portfolio has a ticket size less than Rs. 1 crore. Going forward WCAPL would be focusing on granularity of the portfolio by diversifying into other retail asset classes. Given the limited track record of operations their continued growth in the coming years will be a key monitorable. Acuité believes, the ability of the company to mobilize additional funding, profitable portfolio scale-up while maintaining asset quality will be crucial to the credit profile of the company.

Rating Sensitivity

- Efficient and Effective scale up of its retail lending arm
- Acceptable movement in asset quality
- Growth in AUM and disbursement levels and its impact on Interest Income
- Dilution in promoter shareholding & support.

Liquidity Position

Adequate

WCAPL's overall liquidity profile remains adequate with no negative cumulative mismatches in near to medium

term as per ALM dated March 31, 2025. The company had cash and cash equivalents of Rs 95.79 crore and fixed deposits (held as security against borrowings) of Rs. 2.96 crore as on March 31, 2025.

Outlook:

Negative

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Total Assets	Rs. Cr.	822.54	622.80
Total Income*	Rs. Cr.	57.30	69.48
PAT	Rs. Cr.	16.81	20.54
Net Worth	Rs. Cr.	288.53	271.68
Return on Average Assets (RoAA)	(%)	2.33	2.82
Return on Average Net Worth (RoNW)	(%)	6.00	7.81
Debt/Equity	Times	1.70	1.21
Gross NPA	(%)	0.32	2.25
Net NPA	(%)	0.08	0.33

*Total income equals to Net Interest Income plus other income. FY24 Total income includes FLDG income & write back of INR 22.76 cr.

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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>

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
04 Oct 2024	Term Loan	Long Term	4.99	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	6.67	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Proposed Long Term Bank Facility	Long Term	81.21	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	18.89	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	9.01	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	12.49	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	4.97	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	4.56	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	2.76	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	3.75	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	11.92	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	11.00	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	7.78	ACUITE A- Negative (Reaffirmed (Stable to Negative))
	Term Loan	Long Term	20.00	ACUITE A- Negative (Reaffirmed (Stable to Negative))
07 Jul 2023	Term Loan	Long Term	10.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	15.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	44.28	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	6.25	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	17.50	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	11.91	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	4.67	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	6.62	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	22.92	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	9.16	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	7.69	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	14.80	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	14.62	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	9.58	ACUITE A- Stable (Reaffirmed)

02 May 2022	Proposed Long Term Bank Facility	Long Term	25.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	10.83	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	27.50	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	15.00	ACUITE A- Stable (Assigned)
	Proposed Long Term Loan	Long Term	96.67	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	25.00	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.97	Simple	ACUITE A- Negative Reaffirmed
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	27 Mar 2024	Not avl. / Not appl.	18 Apr 2027	13.89	Simple	ACUITE A- Negative Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	31 Mar 2023	Not avl. / Not appl.	05 Mar 2026	5.61	Simple	ACUITE A- Negative Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	23 Dec 2022	Not avl. / Not appl.	23 Dec 2025	6.24	Simple	ACUITE A- Negative Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	24 Jan 2023	Not avl. / Not appl.	28 Jan 2026	2.46	Simple	ACUITE A- Negative Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	02 May 2023	Not avl. / Not appl.	02 May 2025	0.83	Simple	ACUITE A- Negative Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	11 Mar 2024	Not avl. / Not appl.	31 Mar 2027	8.00	Simple	ACUITE A- Negative Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	30 Jun 2022	Not avl. / Not appl.	30 Jun 2025	1.67	Simple	ACUITE A- Negative Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	30 Jul 2024	Not avl. / Not appl.	30 Jul 2026	10.00	Simple	ACUITE A- Negative Reaffirmed
Utkarsh Small Finance Bank Ltd.	Not avl. / Not appl.	Term Loan	31 Aug 2024	Not avl. / Not appl.	25 Feb 2026	11.00	Simple	ACUITE A- Negative Reaffirmed
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	20 Feb 2025	Not avl. / Not appl.	03 Apr 2028	15.00	Simple	ACUITE A- Negative Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	29 Oct 2024	Not avl. / Not appl.	31 Oct 2026	5.54	Simple	ACUITE A- Negative Reaffirmed
IDFC First Bank Limited	Not avl. / Not appl.	Term Loan	19 Mar 2025	Not avl. / Not appl.	19 Mar 2027	25.00	Simple	ACUITE A- Negative Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	26 Mar 2025	Not avl. / Not appl.	31 Mar 2030	12.00	Simple	ACUITE A- Negative Reaffirmed
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	26 Mar 2025	Not avl. / Not appl.	31 Mar 2030	13.00	Simple	ACUITE A- Negative Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	25 Mar 2025	Not avl. / Not appl.	25 Mar 2027	5.00	Simple	ACUITE A- Negative Reaffirmed
Suryoday Small Finance Bank Limited	Not avl. / Not appl.	Term Loan	13 Mar 2025	Not avl. / Not appl.	05 Apr 2027	10.00	Simple	ACUITE A- Negative Reaffirmed
Bajaj Finance Ltd.	Not avl. / Not appl.	Term Loan	29 Mar 2024	Not avl. / Not appl.	29 Sep 2025	3.89	Simple	ACUITE A- Negative Reaffirmed
Indian Bank	Not avl. / Not appl.	Term Loan	30 Jun 2022	Not avl. / Not appl.	07 Jun 2025	1.23	Simple	ACUITE A- Negative Reaffirmed

Indian Overseas Bank	Not avl. / Not appl.	Term Loan	11 Mar 2024	Not avl. / Not appl.	31 Mar 2027	8.67	Simple	ACUITE A- Negative Reaffirmed
IDFC First Bank Limited	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A- Negative Reaffirmed

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About Acuité Ratings & Research

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