

Press Release
ALPHA ALTERNATIVES HOLDINGS PRIVATE LIMITED
January 31, 2026
Rating Assigned



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Commercial Paper (CP)	200.00	-	ACUITE A1+ Assigned
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) on the Rs. 200.00 Cr. Proposed Commercial Paper of Alpha Alternatives Holdings Private Limited (AAHPL).

Rationale for Rating

The rating assigned takes into account consistent growth in the scale of operations and its impact on the networth of Alpha Alternatives Holdings Private Limited (Holding Company) on a consolidated basis (further referred to as 'the Group'). Owing to increase in AUM size and profitability, the group networth remains healthy at Rs. 856.06 Cr. as on March 31, 2025 as against Rs. 674.35 as on March 31, 2024. The Total Assets of the group increased from Rs. 4,755.62 Cr. as on March 31, 2024 to Rs. 6,858.79 Cr. as on March 31, 2025. The group reported a PAT of Rs. 151.04 Cr. for FY2025 compared to Rs. 124.24 Cr. for FY2024; ~Rs. 142 Cr. during 9MFY2026. The group has an AUM of Rs. 27,932 Cr. as on December 31, 2025 as compared to Rs. 19,607 Cr. as on March 31, 2025. The rating also factors in track record & experience of the management team in managing investments across various asset classes. AAHPL commenced their operations in 2013 and have been managing assets spread across equity, commodity and other alternative asset classes under multiple AIF, PMS and other schemes. The subsidiaries are expected to benefit from the shared management expertise, risk management practices as well as shared operational and infrastructural support of the holding company. Alpha Alternatives Financial Services Private Limited (AAFSPL), the NBFC arm of the group, is investing funds raised from investors via PP-MLD issue, the investments are managed by fund managers from AAHPL and would follow similar strategies as currently adopted in the parent. The rating is however, constrained by the limited operational track record of the group and high leverage. Going forward, the ability of the company to profitably scale up the AUM would be a key credit monitorable.

About the Company

Mumbai based, Alpha Alternatives Holdings Private Limited incorporated in 2013 is engaged in the business of acting as consultants, advisors, on all matters in the field of management, regulatory activities, finance, investment, trade, commerce, etc. It is also the Holding Company of the Alpha Alternatives Group ('the Group').

About the Group

Alpha Alternatives Group is a multi-asset class, proprietary capital investing and asset management platform. It creates alternative investment products across Equities, Commodities, Fixed Income, Structured Credit, Quant and other alternatives asset classes that target superior risk returns for its investors and its own proprietary capital. The group operates across multiple structures/licences – Alternative Investment Fund (AIF), Portfolio

Management Services (PMS), and NBFC and is also a Registered Investment Advisor (RIA). The company is promoted by Mr. Naresh Kothari through the Kothari Family Private Trust. Mr. Naresh Lakshman Singh Kothari, Mr. Bheru Jain, Mr. Shreyans Hitendrakumar Mehta and Mr. Abhishek Dalmia are the present directors of the company.

Unsupported Rating

Not applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has taken a consolidated approach to asses the business and financial risk profile of Alpha Alternatives Holdings Private Limited .

Key Rating Drivers

Strength

Experienced management team

Alpha Alternatives Holdings Private Limited, is promoted by Mr. Naresh Kothari (Founder and Managing Partner) and is led by him and his team of experienced professionals. Mr. Naresh is a seasoned financial services professional with over two decades of experience in business building and capital markets. Prior to Alpha Alternatives, Mr. Naresh was one of the earliest senior partners at Edelweiss Financial Services. He has previously led teams for the equity capital markets business and a leading alternative asset management platform. Apart from Mr. Naresh Kothari, Mr. Bheru Jain, Mr. Shreyans Hitendrakumar Mehta and Mr. Abhishek Dalmia are among the present directors of the company. The holding company plans to raise funds via PPMLD issuance in the NBFC, which would further increase the asset size. The proceeds from the issue will be invested through Alpha Alternatives' Equity Absolute Return (EQAR) strategy, Commodities Absolute Return (CAR) strategy, among others.

Consistent Increase in scale of operations

The Total Assets of the group increased from Rs. 4,755.62 Cr. as on March 31, 2024 to Rs. 6,858.79 Cr. as on March 31, 2025. The group reported a PAT of Rs. 151.04 Cr. for FY2025 compared to Rs. 124.24 Cr. for FY2024; ~Rs. 142 Cr. during 9MFY2026. The group has an AUM of Rs. 27,932 Cr. as on December 31, 2025 as compared to Rs. 19,607 Cr. as on March 31, 2025. Owing to increase in AUM size and profitability, the group networth remains healthy at Rs. 856.06 Cr. as on March 31, 2025 as against Rs. 674.35 as on March 31, 2024. The profitability is derived through well developed and improved portfolio management strategies that has yielded high returns. However, this has resulted into increased leverage levels during the period. The rating continues to factor significant operational & financial synergies and business & managerial support between the companies of the group.

Weakness

Susceptibility to uncertainties inherent in the capital markets

The group's operating performance is linked to the capital markets, which are inherently volatile as they are driven by economic and political factors as well as investor sentiments. All the proceeds from the PP-MLDs (which forms majority of the debt) issue will be invested in capital markets and derivatives. Also, the coupon payments in the form of returns are highly dependent on the performance of the underlying securities and derivatives invested. Though investments in equity and commodity backed derivatives will be via liquid securities, the company and investments will be exposed to gap-down risk and other market and liquidity risks.

High leverage

The group's track record of operating businesses at the NBFC level is limited. The management plans to leverage AAFSPL around five times for its future growth plans. At a group level, the gearing stood at 6.55 times as on March 31, 2025 as compared to 5.75 times

as on March 31, 2024. Going forward, the ability of the group scale up the AUM profitably while maintain its leverage would be key credit monitorable.

ESG Factors Relevant for Rating

AAHPL has a revenue stream with a majority portion accruing from the financial services sector. Adoption and upkeep of strong business ethics is a sensitive material issue for the financial services business linked to capital markets to avoid fraud, insider trading and other anti-competitive behaviour. Other important governance issues relevant for the industry include management and board compensation, board independence as well as diversity, shareholder rights and role of audit committee. As regards the social factors, product or service quality has high materiality so as to minimise misinformation about the products to the customers and reduce reputational risks. While data security is highly relevant due to company's access to confidential client information, social initiatives such as enhancing financial literacy and improving financial inclusion are fairly important for the financial services sector. The material of environmental factors is low for this industry. AAHPL maintains adequate disclosures with respect to the various board level committees mainly audit committee, nomination and renumeration committee along with stakeholder management committee. AAHPL also maintains adequate level of transparency with regards to business ethics issues like related party transactions, investors grievances, litigations, and regulatory penalties for the company, if relevant.

Rating Sensitivity

- Operating performance
- AUM growth and Portfolio yield vis-à-vis Market returns
- Any changes in management and ownership pattern
- Any sizable exodus from senior management team (including key fund managers)
- Changes in regulatory environment

Liquidity Position

Strong

The PP-MLDs form major portion of the debt for AAHPL. The PP-MLD redemptions are approximately Rs 1,075 crore in FY26, Rs 1,104 crore in FY27, and Rs 896 crore in FY28. As of March 31, 2025, the debt obligations are backed by Rs 4,213 crore invested in G-Secs and T-bills (61% of total assets). The remaining portfolio includes Certificates of Deposit/Commercial Paper (8%), Bonds (4%), and Mutual Funds (3%). The ALM position of AAFSPL as of August 31, 2025 reflects a comfortable positive cumulative mismatch in the near to medium term, indicating strong short-term liquidity. Additionally, AAHPL has maintained cash and cash equivalents of Rs 37.91 crore as on March 31, 2025.

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Total Assets	Rs. Cr.	633.58	497.00
Total Income*	Rs. Cr.	57.94	46.58
PAT	Rs. Cr.	3.41	1.93
Net Worth	Rs. Cr.	414.01	389.44
Return on Average Assets (RoAA)	(%)	0.60	0.42
Return on Average Net Worth (RoNW)	(%)	0.85	0.51
Debt/Equity	Times	0.46	0.20
Gross NPA	(%)	-	-

Net NPA	(%)	-	-
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*Total income equals to Net Interest Income plus other income

Key Financials (Consolidated)

Particulars	Unit	FY25 (Actual)	FY24 (Actual)
Total Assets	Rs. Cr.	6858.79	4755.62
Total Income*	Rs. Cr.	455.67	423.29
PAT	Rs. Cr.	151.04	124.24
Net Worth	Rs. Cr.	856.06	674.35
Return on Average Assets (RoAA)	(%)	2.6	3.52
Return on Average Net Worth (RoNW)	(%)	19.74	17.5
Debt/Equity	Times	6.55	5.75
Gross NPA	(%)	-	-
Net NPA	(%)	-	-

*Total income equals to Net Interest Income plus other income

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

None

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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Commercial Paper: <https://www.acuite.in/view-rating-criteria-54.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité 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: Not applicable

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 Commercial Paper Program	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A1+ Assigned

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

Sr. No	Entities
1	Agri Commodity Alpha LLP
2	Alpha Alternative Strategies LLP
3	Alpha Alternatives Financial Services Private Limited (Formerly known as Provincial Finance and Leasing Co Private Limited)
4	Alpha Alternatives Finserve Solutions LLP
5	Alpha Alternatives Fund Advisors LLP
6	Alpha Alternatives Fund Infra-Advisors Private Limited
7	Alpha Alternatives Holdings Private Limited
8	Alpha Alternatives Singapore Pte. Ltd (w.e.f April 01, 2024)
9	Alpha Alternatives Ventures Private Limited
10	Arsenio Strategies Private Limited
11	Ebony Advisors LLP
12	Ember Nest LLP
13	Harborpeak Real Estate Private Limited (upto March 19, 2025)
14	Helium Services LLP
15	Manpeak Ventures LLP
16	Ncube Ventures LLP
17	Orex Opus Logistics Park Private Limited
18	Pinkstone Ventures LLP
19	Purple Aster Ventures LLP
20	Purple Clover Tree LLP
21	Purple Orchid Hotel LLP
22	Purple Orchid Tree LLP
23	Quanterra Strategies LLP
24	Silverleaf Oak Advisors LLP
25	Terrefert Green Growth LLP
26	Third Alpha LLP

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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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Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.