Akara Capital Advisors Private Limited

April 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	100.00	CARE BBB; Stable / CARE A3+	Reaffirmed
Non Convertible Debentures	200.00	CARE BBB; Stable	Reaffirmed
Commercial Paper	300.00 (Enhanced from 200.00)	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The assessment of credit profile of Akara Capital Advisors Private Limited (ACAPL) is based on the combined approach, which includes ACAPL and EQX Analytics Private Limited (EQXAPL, group entity), due to common management, business, and financial linkages. ACAPL offers unsecured personal loans through its technology platform, Stashfin, which is managed and operated by EQXAPL. Both ACAPL and EQXAPL are 100% subsidiaries of Morus Technologies Pte Ltd. (MTPL), a Singapore-based entity supported by strong investors such as Blowfish Ventures, Divine Blessing Investments, Altara Ventures, Positive Moves Consulting, Fasanara Capital, Tencent Group, and Uncorrelated Ventures.

The reaffirmation of ratings factors in its adequate capitalisation supported by ₹38-crore capital raised in Q3FY26, with combined tangible net worth (TNW) of ₹781 crore and gearing of 2.5x as on December 31, 2025. The ratings also take into consideration its adequate liquidity profile.

Ratings, however, are constrained by its limited track record, evolving nature of the unsecured personal loan business, weak asset quality metrics and moderated profitability given its high operating expenses (which also includes non-cash share-based employee expenses) and elevated credit costs. CareEdge Ratings notes that it has grown at a higher pace in 9MFY26 reporting an AUM of ₹2,638 crore in Dec'2025 with growth of 76% (annualised). Additionally, CareEdge Ratings considers the dynamic market environment for fintech lenders and unsecured lending, which makes them more susceptible to regulatory changes. The potential impact of such changes on the company's operations remains a key monitorable. Its funding profile remains concentrated towards loans from capital market instruments and its holding company with funding cost for 9MFY26 relatively higher than its peers, also affected by forex value changes.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant scale up of the loan book with improvement in ACAPL's asset quality with GNPA ratio remaining below 4% on a sustained basis.
- Diversification in resource profile with larger share from banks and fund raising at competitive rates.
- Improvement in credit cost and overall profitability.

Negative factors

- Significant rise in credit cost, leading to deterioration in its profitability.
- Increasing leverage with combined overall gearing of over 3x on a sustained basis.

Analytical approach: Combined

Combined approach of ACAPL and its group company, EQXAPL owing to common management and business linkages. Both are 100% subsidiaries of Morus Technologies Pte. Ltd (MTPL), a Singapore-based entity. The list of entities which have been combined is presented in **Annexure-6**.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable

The stable outlook factors in CareEdge Ratings' expectation that ACAPL will be able to profitably grow its scale of operations while maintaining adequate capitalisation profile and improving asset quality.

Detailed description of key rating drivers:

Key strengths

Adequate capitalisation

The company has maintained adequate net worth and moderate leverage for its rating category, supported by periodic equity infusions; consolidated gearing has remained within acceptable levels despite growth in the unsecured portfolio. Analysts expect the company will need to raise further capital in FY27 to be able to maintain its gearing below 3x, for management's growth targets. Management has stated that it will maintain its gearing at around 3x on a steady state basis; a higher gearing would be detrimental for its credit profile.

Key weaknesses

High growth seen in 9MFY26; asset quality remained moderate:

Akara reported AUM of ₹2,638 crore as on December 31, 2025, growing at ~76% (annualised) from ₹1,728 crore in March 2025 (₹1,839 crore in March 2024). The high growth was supported by change in entity's offering with higher ticket size and longer tenure loans, hence slower run down. Given, the higher-than-normal growth, the performance of the new pool remains to be seen.

As on December 31, 2025, Akara reported gross non-performing assets (GNPA) of 4.75%, with net NPA of 1.47%, compared to 4.55% and 1.64% in March 2025. While the asset quality metrics appears optically better, given the entity has grown at a higher-than-normal rate, the book remains to season. On a 12-month lagged basis its GNPA stood at 8.12% in December 2025, as compared to 5.08% in March 2025. Further, Akara carried a provision of 72.20% on its GNPA (provisional) as on December 31, 2025, as compared to 65.15% in March 2025. Further, its solvency in terms of net stress (net stage 3 + net stage 2) to tangible net worth (TNW) remained elevated at 37.5% in Dec 2025, as compared to 41.4% in March 2025. Given longer tenure of these loans, the performance will remain monitorable and with higher slippages in future, the provision requirement might have to be increased, affecting its credit cost.

Evolving profitability profile:

During 9MFY26, the group reported a net loss of ₹21.4 crore (including ESOP cost of ₹29.2 crore) translating into RoTA of -1.2% and RoNW of -3.74%, as compared to a profit ₹9.6 crore in FY2025 (including ESOP cost of ~₹52 crore). Adjusting for ESOP expense its RoTA in 9MFY26 would have been 0.3% as compared to 0.5% in FY2025. During 9MFY26, its spread compressed as its yield reduce on account of shift towards lower yield segment, while cost increased due to foreign exchange rate change. Further its profitability remains affected by high operating expenses (including ESOPs) combined with elevated credit cost. While analysts note, the company has changed its credit policy and targets borrowers with relatively higher CIBIL, which might bring down its credit cost as well as opex, the performance of the new book remains to be seen. Further, the management plans to increase focus on non-lending revenue from Q1FY27 itself, however, its contribution will remain a monitorable.

Concentrated resource profile:

As on December 31, 2025, Akara's funding profile comprised of ~30% funding from parent in form of external commercial borrowings (ECB), while other sources included NCDs (~45%), NBFCs in form of PTC and loans (13%), banks (5%) and commercial paper (7%). CareEdge Ratings noted that in 9MFY26, ACAPL has secured funding from banks, however, their contribution remains relatively low, and overall cost of borrowing remains relatively high. Its cost of average debt funding increased to 17.2% (including foreign exchange cost; average cost of funding excluding foreign exchange cost is 15.4%) in 9MFY26, as compared to 15.2% in FY2025. Going forward, its ability to raise funds at a lower cost, to support its earnings profile will remain a key monitorable.

Evolving regulatory space:

The regulatory landscape for the entities operating in digital lending space is evolving and adverse change in regulations or compliance could impact credit profile of such entities. As digital lending continues to grow in momentum and scale, the evolving regulations expose the industry to regulatory risks.

Liquidity: Adequate

As on December 31, 2025, ACAPL's liquidity profile remained adequate, with standalone unencumbered cash and liquid investments of ₹92 crore, and scheduled collections of ₹1,686 crore in the next 12 months remained sufficient to cater to its external debt obligations of ₹743 crore for the same period. Per its asset liability management (ALM) statement for December 31, 2025, there were positive cumulative mismatches across all time buckets.

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Short Term Instruments
Non Banking Financial Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)

Akara Capital Advisors Private Limited (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 and Ms. Shruti Aggarwal, who have several years of experience in the finance domain.

ACAPL is currently owned by Morus Technologies Pte. Ltd (MTPL), a Singapore-based neobanking start-up backed by investors like Blowfish Ventures, Divine Blessings Investments, Altara Ventures, Positive Moves Consulting, Fasanara Capital, Tencent Group, Uncorrelated Ventures etc. The Group has another wholly-owned subsidiary, EQX Analytics Private Limited (EQXAPL) which takes care of technological platform for ACAPL which is Stashfin.

ACAPL - Standalone

Brief Financials (₹ crore)	31-03-2024	31-03-2025	9MFY26
	A	A	UA
Total income	784.6	709.7	636.0
Profit after tax (PAT)	91.1	84.8	38.4
Assets under management (AUM)	1,839.4	1727.27	2,637.7
On-book gearing (x)	1.57	1.61	2.64
AUM / tangible net-worth (TNW) (x)	3.30	2.61	2.64
Gross non-performing assets (NPA) / gross stage 3 (%)	4.98	4.55	4.75
Return on managed assets (ROMA) (%)	5.03	4.52	2.15
Capital adequacy ratio (CAR) (%)	29.79	31.09	21.17

A: Audited UA: Unaudited; Note: these are latest available financial results

ACAPL + EQX + Morus + Titanium - Combined

Brief Financials (₹ crore)	31-03-2024	31-03-2025	9MFY26
	A	A	UA
Total income	842.8	733.2	641.9
Profit after tax (PAT)	-53.7	-42.4	-21.4
Assets under management (AUM)	1,839	1,728	2,638
On-book gearing (x)	1.11	0.89	2.47
AUM / tangible net-worth (TNW) (x)	2.20	2.31	3.38
Gross non-performing assets (NPA) / gross stage 3 (%)	5.12	6.24	4.75
Return on managed assets (ROMA) (%)	-2.70	-1.81	-1.10

Brief Financials (₹ crore)	31-03-2024	31-03-2025	9MFY26
	A	A	UA
Capital adequacy ratio (CAR) (%)	NA	NA	NA

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	Proposed	-	-	-	300.00	CARE A3+
Debentures-Non Convertible Debentures	Proposed	-	-	-	200.00	CARE BBB; Stable
Fund-based - LT/ ST-Term loan	Proposed	NA	-	-	100.00	CARE BBB; Stable / CARE A3+

NA: Not Applicable; as instrument is not placed

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Term loan	LT/ST	100.00	CARE BBB; Stable / CARE A3+	1)CARE BBB; Stable / CARE A3+ (05-Dec-25) 2)CARE BBB; Stable / CARE A3+ (26-Apr-25)	-	-	-
2	Commercial Paper-Commercial Paper (Standalone)	ST	300.00	CARE A3+	1)CARE A3+ (05-Dec-25) 2)CARE A3+ (26-Apr-25)	-	-	-
3	Debentures-Non Convertible Debentures	LT	200.00	CARE BBB; Stable	1)CARE BBB; Stable (05-Dec-25) 2)CARE BBB; Stable (26-Apr-25)	-	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Fund-based - LT/ ST-Term loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Akara Capital Advisors Private Limited	Full	Operational and financial linkages
2	EQX Analytics Private Limited	Full	Operational and financial linkages
3	Morus Technologies Pte.	Full	Operational and financial linkages
4	Titanium Fortune Financial Services Pvt Ltd	Full	Operational and financial linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Priyesh Ruparelia Director **CARE Ratings Limited** Phone: 022-67543593 E-mail: Priyesh.ruparelia@careedge.in Jatin Arora Assistant Director **CARE Ratings Limited** Phone: 120-4452033 E-mail: Jatin.arora@careedge.in Kanika Aggarwal Lead Analyst **CARE Ratings Limited** E-mail: Kanika.aggarwal@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com