



RATING RATIONALE

15 Sep 2023

Akasa Finance Limited (Erstwhile Pooja Finelease Ltd.)

Brickwork Ratings downgrades the long-term ratings for the bank loan facilities of Rs 94.5 Crores of Akasa Finance Ltd. (Erstwhile Pooja Finelease Ltd.) and migrates the ratings to the Issuer Not Cooperating* category, as the entity did not cooperate.

Particulars:

Facility / Instrument**	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (15 June 2022)	Present
Fund Based Bank Loans					
Cash Credit	24.50	24.50	Long Term	BWR BBB-/ Stable (Upgraded) and removed from Issuer Not Cooperating*	BWR BB /Stable ISSUER NOT COOPERATING*/ Downgrade
Proposed Term Loan	50.00	50.00	Long Term		
Cash Credit	20.00	20.00			
Total	94.50	94.50	Rupees Ninety Four Crores Fifty Lakhs Only		

*Issuer did not cooperate; based on best available information.

**Details of Bank facilities are provided in Annexure I

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

Brickwork Ratings (BWR) downgrades the ratings on the rating of bank loan facilities amounting to Rs.94.50 Crs of Akasa Finance Ltd. (Erstwhile Pooja Finelease Ltd.) (“AFL” or “the Company”) as tabulated above.

Brickwork ratings took up with AFL to provide the required information over emails and through telephonic communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the Company has not provided the same. Feedback from the banker on the bank loan facilities rated by BWR was not received despite multiple requests. There is also no information about the ‘proposed’ facilities.

In absence of adequate information from the issuer for a rating review and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid ratings.

LIMITATION OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account possible deterioration in the credit quality of the rated entity arising from its non-transparency withholding of information required for a review of the rating.

COMPANY PROFILE (As available with BWR)

Akasa Finance Limited (Erstwhile Pooja Finelease Limited) is a Non-Banking Finance Company (NBFC) based out of Delhi, India. The company was formed in 1995 and registered with the RBI as an NBFC in 2001. AFL provides Two & Three wheeler loans, Loans against property, Business & Personal loans, and E-Rickshaw loans. AFL was founded by Mr. LK Mehta, having over five decades of experience in financing and leasing business besides real estate and trading in the share market. The company is currently helmed by his son, Mr. Jethmal Mehta (Chairman & Director), having 30 years of experience in the field of lottery, finance and real estate and grandson Mr. Rohit Mehta (Managing Director). Company's name was changed to Akasa Finance Ltd in January 2022.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NIL

KEY FINANCIAL INDICATORS (As available with BWR)

Key Financial Indicators	Units	FY21	FY22	FY23
Result Type		(A)	(A)	(UA)
Total Portfolio	Rs in Crs	169.00	187.79	217.46
Revenue from Operations	Rs in Crs	43.91	38.81	44.07
PAT	Rs in Crs	2.34	1.14	0.85
Tangible net worth	Rs in Crs	100.33	101.47	134.47
Gearing	Times	0.91	1.25	0.92
Gross NPA	%	9.77	11.00	10.32
Net NPA	%	6.63	8.42	7.66
CRAR	%	68.26	64.73	N.A.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

S.I no.	Facility	Current Rating 2023			Rating History		
		Type	Amt in Rs.Crs	Rating	2022	2021	2020
1	Fund based - Cash Credit	Long Term	24.50	BWR BB /Stable ISSUER NOT COOPERATING*/ Downgrade	BWR BBB-/ Stable (Upgrade) and removal from Issuer Not Cooperating* (13 June 2022) BWR BB+/ Stable/ Issuer Not Cooperating* (Downgraded and moved to INC) (22 April 2022)	BWR BBB/Stable (Reaffirmed) 26 April 2021	BWR BBB/Stable (Reaffirmed) 10 Feb 2020
2	Fund based -Proposed Term Loan Cash Credit	Long Term	50.00 20.00				
	Total		94.50		Rupees Ninety Four Crores Fifty Lakhs Only		

*Based on best available information; Issuer Not Cooperating

COMPLEXITY LEVELS OF THE INSTRUMENTS

Bank Loan Facilities - **SIMPLE**

For more information, visit

www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks & Financial Institutions](#)
- [What Constitutes Non-Cooperation](#)

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Akasa Finance Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR:

Sl. No.	Name of the Bank	Type of Facilities	Long Term (Rs Crs)	Short Term (Rs Crs)	Total @ (Rs Crs)
1	State Bank of India	Cash Credit	24.50	-	24.50
2	Proposed	Term Loans	50.00	-	50.00
3	Proposed	Cash Credit	20.00	-	20.00
Total			94.50	-	94.50
Total Rupees Ninety Four Crores Fifty Lakhs only					

@Outstanding as on 31 March 2022

The Cash Credit Limits was converted into Dropline Overdraft Limits in April 2021 with monthly repayments of Rs 0.50 crore starting from May 2021. The Company has not shared the latest outstanding details.

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS : Not applicable

ANNEXURE- III

List of Entities Consolidated : Not Applicable



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