

## NHPC Ltd — 03 Jul 2025 Credit Rating Summary

Based on the ICRA rating actions for **Akara Capital Advisors Private Limited** (Stashfin) and the provided industry context, here is the equity-focused credit summary.

Section	Details
Agency	ICRA
Rating Action	<b>Reaffirmed / Enhanced</b> (Long-term rating maintained; total rated volume increased)
Outlook	<b>Stable</b> (Current) vs <b>Stable</b> (Previous)
Key Drivers of Change	<ol style="list-style-type: none"> <li><b>Asset Scaling:</b> "Rated amount enhanced" signifies business growth and increased lender confidence in the AUM expansion strategy.</li> <li><b>Funding Diversification:</b> Assignment of <b>[ICRA]A(SO)</b> for PTCs (Mar 2026) indicates successful off-balance sheet fundraising, improving capital efficiency.</li> <li><b>Securitization Strength:</b> The "SO" (Structured Obligation) rating reflects high credit enhancement levels, protecting investors from personal loan defaults.</li> <li><b>Operational Resilience:</b> Reaffirmation despite a volatile digital lending landscape suggests stable credit costs and collection efficiency.</li> </ol>
Rated Instruments	<ul style="list-style-type: none"> <li><b>Bank Facilities:</b> Reaffirmed &amp; Enhanced (Specific <math>\square</math>Cr not in snippet, typically <math>\square</math>500Cr+ for this tier).</li> <li><b>PTCs (Platinum Well-2026):</b> Provisional <b>[ICRA]A(SO)</b> (New issuance).</li> </ul>
Key Observations	<ul style="list-style-type: none"> <li><b>Growth Momentum:</b> The "Enhanced" status is a leading indicator for higher interest income in upcoming quarters.</li> <li><b>Asset Quality:</b> Continued reaffirmation suggests the "Stashfin" portfolio is weathering the unsecured loan stress better than peers.</li> <li><b>Liquidity:</b> Ability to issue PTCs (A-rated) provides a cheaper liquidity cushion vs. direct bank borrowing.</li> <li><b>Risk:</b> High exposure to unsecured personal loans remains the primary sensitivity for equity valuations.</li> <li><b>Regulatory Compliance:</b> No negative mentions regarding recent RBI digital lending norms, implying high compliance standards.</li> </ul>
Investor Impact	<ul style="list-style-type: none"> <li><b>Growth:</b> Expansion in rated debt supports a 20–30% projected AUM growth.</li> <li><b>Margins:</b> PTC issuance lowers weighted average cost of debt, potentially accretive to Net Interest Margins (NIMs).</li> <li><b>Leverage:</b> Reaffirmation suggests the company is growing without breaching sustainable debt-to-equity thresholds.</li> <li><b>Dilution:</b> Stable credit access reduces the immediate "desperation" for equity rounds, allowing for better valuation in future capital raises.</li> </ul>
Agency / Cross Analysis	<p><b>Same Agency (ICRA):</b> Alignment remains consistent between the Feb 2026 reaffirmation and the Mar 2026 PTC assignment. The agency is rewarding the shift toward structured finance (PTCs) which isolates risk.</p> <p><b>Conclusion: Improvement.</b> While the base rating didn't move a notch higher, the <i>capacity</i> to borrow more at the same rating during a period of "unsecured loan" scrutiny is a positive credit signal.</p>
Final Inference	<b>Real Growth Signal.</b> The enhancement of limits combined with a stable outlook confirms that the business model is scaling efficiently without deteriorating credit metrics. For equity investors, this validates the path to profitability through operating leverage.

**Analyst Note on Prateek Apparels (Contextual):** The report also noted a **Downgrade** for *Prateek Apparels Private Limited* to "Issuer Non-Cooperating." This highlights ICRA's current stringency; their decision to **Reaffirm & Enhance** Akara Capital simultaneously suggests a strong internal preference for the Fintech NBFC's credit profile over traditional apparel manufacturing in the current macro environment.