

SBI Cards & Payment Services Ltd — 16 Sep 2025 Credit Rating Summary

Based on the ICRA rating reports dated February 27 and March 02, 2026, for **Akara Capital Advisors Private Limited (Stashfin)**, here is the equity-focused credit analysis.

| Section | Details |
|-------------------------------|---|
| Agency | ICRA |
| Rating Change | Reaffirmed (Base Rating) / Provisional [ICRA]A(SO) assigned to new PTCs |
| Outlook (Current vs Previous) | Stable (Reaffirmed) |
| Key Drivers of Change | <ol style="list-style-type: none"> Growth Appetite: Enhancement of rated amount suggests aggressive AUM (Assets Under Management) expansion strategy. Funding Diversification: Assignment of [ICRA]A(SO) to "PLATINUM WELL-2026" PTCs indicates active use of securitization to manage liquidity. Stable Credit Hygiene: Reaffirmation amidst a challenging macro environment for personal loans implies manageable delinquency levels. Operational Resilience: Business model remains viable enough for the agency to maintain ratings despite "enhanced" debt exposure. |
| Rated Instruments | <ol style="list-style-type: none"> Pass Through Certificates (PTCs): Provisional [ICRA]A(SO) (Backed by personal loan receivables). Bank Facilities: Rating Reaffirmed (Amount Enhanced; exact \squareCr not specified in summary snippet). |
| Key Observations | <p>Strengths:</p> <ul style="list-style-type: none"> Access to capital markets through securitization (PTCs). Scalability: "Enhanced" limits suggest lenders/agencies support higher leverage. Asset Quality: SO rating on PTCs suggests sufficient credit enhancement/over-collateralization. <p>Risks:</p> <ul style="list-style-type: none"> Sector Headwinds: ICRA's own "Special Comments" highlight stress in mid-sized firms and personal loan risks. Leverage: Increased rated amounts lead to higher Debt/Equity, potentially weighing on ROE if margins compress. Product Concentration: Heavy reliance on personal loan receivables for securitization. |
| Investor Impact | <ul style="list-style-type: none"> Growth: Positive signal for AUM growth; the company is in an "expansion" phase. Leverage: Higher debt limits indicate the company is leveraging up; monitor Debt-to-Equity closely. Dilution Risk: Low in the near term as they are opting for debt/securitization over equity rounds for funding. Margins: Securitization via PTCs (A(SO)) usually lowers the weighted average cost of funds, supporting NIMs. |
| Agency / Cross Analysis | <p>Same Agency: Reaffirmed the base credit profile while assigning a "Structured Obligation" (SO) rating for specific pools. This shows ICRA views the <i>specific asset pool</i> as stronger (A-category) than the <i>corporate entity</i> itself.</p> <p>Conclusion: Improvement in Funding Depth. The ability to enhance limits and issue rated PTCs reflects growing institutional confidence in their underwriting.</p> |
| Final Inference | <p>Real Growth Signal: The reaffirmation combined with "enhanced" limits is a green flag for equity investors. It confirms that the company can scale its balance sheet without a credit downgrade, though the pivot to securitization highlights a need for cost-efficient funding to maintain profitability.</p> |

Analyst Note: While the provided text is a summary of actions, the "Amount Enhanced" status for a Fintech NBFC like Akara Capital (Stashfin) usually precedes an aggressive quarterly growth phase. Equity investors should monitor the cost of this new debt and the impact on Net Interest Margins (NIM).