# Emkay Global Financial Services Ltd — 07 Aug 2025 Credit Rating Summary

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

| Section | Details |
|---|---|
| **Agency** | ICRA |
| **Rating Change** | **Reaffirmed** (Entity Rating) |
| **Outlook (Current vs Previous)** | **Stable** (Implied by reaffirmation and enhancement of rated amounts). |
| **Key Drivers of Change** | 1. **Enhanced Credit Capacity:** Increase in the rated amount indicates lenders' willingness to extend higher credit limits to support AUM growth.<br>2. **Asset Securitization Velocity:** Successful assignment of [ICRA]A(SO) to PTCs (PLATINUM WELL-2026) indicates strong structural credit enhancement for personal loan pools.<br>3. **Digital Lending Scale:** Growth in personal loan receivables via the Stashfin platform driving the need for higher debt limits.<br>4. **Funding Diversity:** Shift toward structured finance (PTCs) to optimize cost of funds. |
| **Rated Instruments** | 1. **PTCs (PLATINUM WELL-2026):** □Cr (Specific pool size not in text) |
| **Key Observations** | • **Asset Quality Focus:** Rating based on personal loan receivables; high-yield but high-risk segment requiring granular monitoring.<br>• **Liquidity Management:** Use of PTCs provides an alternate liquidity route beyond direct bank lines.<br>• **Operational Maturity:** "Reaffirmation" suggests the agency is comfortable with current delinquency trends despite the enhanced debt burden.<br>• **Growth Bias:** The "Enhanced" status confirms a shift from survival/consolidation to an aggressive growth phase.<br>• **Structural Support:** The (SO) rating reflects credit subordination or cash collateral protecting senior investors. |
| **Investor Impact** | • **Growth:** High; capital enhancement allows for significant AUM expansion in FY27.<br>• **Margins:** PTC issuance typically lowers the weighted average cost of debt compared to unsecured lines.<br>• **Leverage:** Increasing; the equity base must keep pace with the "Enhanced" debt limits to avoid future rating pressure.<br>• **Dilution Risk:** Low in the short term, as the company is successfully leveraging its balance sheet rather than seeking immediate equity infusions. |
| **Agency / Cross Analysis** | **Same Agency (ICRA):** The sequence of a general reaffirmation (Feb 27) followed quickly by a specific structured finance rating (Mar 02) indicates a highly active and transparent relationship with the agency. The "Enhanced" rated amount suggests ICRA has validated the company's financial projections for the upcoming fiscal year. |
| **Final Inference** | **Real improvement in scaling capacity.** The "Reaffirmation + Enhancement" combo is a strong green flag for equity investors, signaling that the company is growing its leverage without deteriorating its credit profile. |

## Equity Analyst’s Note:

The fact that ICRA **enhanced the rated amount** while maintaining the rating is the most critical takeaway. For a fintech NBFC like Akara Capital, this suggests that their underwriting models are holding up under scale, and the credit markets are open to them for further expansion. The [ICRA]A(SO) rating for the PTCs provides a "halo effect" on their overall fundraising capability.