

Utkarsh Small Finance Bank Ltd — 12 Aug 2025 Credit Rating Summary

Based on the ICRA rating actions updated on February 27 and March 02, 2026, the following table summarizes the credit profile for **Akara Capital Advisors Private Limited (Stashfin)**, which is the primary active entity in the provided report list.

Section	Details
Agency	ICRA Limited
Rating Change	Reaffirmed (Main Entity) / Provisional [ICRA]A(SO) (New PTCs)
Outlook (Current vs Previous)	Stable (Maintained)
Key Drivers of Change	<ol style="list-style-type: none"> Resource Mobilization: Enhancement of rated bank lines indicates increased lender appetite and funding for AUM growth. Securitization Strength: Assignment of A(SO) to PTCs (PLATINUM WELL-2026) shows high structural protection for senior tranches. Portfolio Diversification: Rapid scaling of personal loan receivables (PL) as the primary growth engine. Liquidity Cushion: Enhanced limits suggest proactive liquidity management ahead of disbursement targets.
Rated Instruments	<ul style="list-style-type: none"> • PTCs (Personal Loan Backed): [ICRA]A(SO) (Provisional) • Bank Facilities: [ICRA]BBB range (Reaffirmed & Enhanced) • Total Amount: Enhanced (Exact ₹Cr not disclosed in summary, but flagged as "Enhanced")
Key Observations	<p>Strengths:</p> <ol style="list-style-type: none"> Strong credit enhancement in PTC structures protecting against default. Ability to raise capital through multiple channels (Banks + Capital Markets). Established digital lending platform (Stashfin) with scalable tech. <p>Risks:</p> <ol style="list-style-type: none"> Unsecured nature of personal loan books increases credit risk volatility. Regulatory sensitivity regarding digital lending and "FLDG" norms. Concentration risk in short-term retail credit segments.
Investor Impact	<p>Growth Signal: Enhancement of rated amounts suggests an aggressive AUM expansion phase.</p> <p>Cost of Funds: Reaffirmation despite volatile markets suggests stable borrowing costs.</p> <p>No Dilution Risk: Shift toward debt and securitization suggests the firm is optimizing its capital structure without immediate equity dilution.</p>
Agency / Cross Analysis	<p>Same Agency: The reaffirmation (Feb 27) followed by a new PTC rating (Mar 02) shows ICRA is comfortable with the asset quality of the underlying pool even as the total debt quantum increases.</p> <p>Contrast (Prateek Apparels): The downgrade of Prateek Apparels to "Non-Cooperating" on the same day highlights a divergence in the sector; Akara shows high transparency/compliance vs. traditional apparel firms facing stress.</p>
Final Inference	<p>Real Improvement: The rating action is a positive "Growth Signal." The ability to enhance debt limits while maintaining ratings indicates that the company's capital adequacy and asset quality are keeping pace with its expansion.</p>

Strategic Note on Secondary Mention: Prateek Apparels

- **Action:** Downgraded to Issuer Non-Cooperating (INC) category.
- **Risk Signal:** High. This suggests a total breakdown in information sharing and likely liquidity distress. For equity investors, this is a "Red Flag" signaling potential default or cessation of operations.