

## Yes Bank Ltd — 14 Jul 2025 Credit Rating Summary

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

Section	Details
<b>Agency</b>	ICRA
<b>Rating Change</b>	<b>Reaffirmed / Assigned</b> (Maintained existing rating; Provisional [ICRA]A(SO) assigned to new PTCs)
<b>Outlook</b>	<b>Stable</b> (Implied by reaffirmation and enhancement of rated limits)
<b>Key Drivers of Change</b>	<ol style="list-style-type: none"> <li><b>Resource Mobilization:</b> Rated amount enhanced (Feb 27), indicating increased lender confidence and headroom for AUM growth.</li> <li><b>Funding Diversification:</b> Assignment of [ICRA]A(SO) to PTCs (Platinum Well-2026) shows successful migration to off-balance sheet funding.</li> <li><b>Asset Backing:</b> Ratings supported by granular personal loan receivables, providing structural protection to investors.</li> </ol>
<b>Rated Instruments</b>	<ol style="list-style-type: none"> <li><b>Bank Facilities:</b> [ICRA]BBB+ (Stable) - Reaffirmed/Enhanced (Exact <math>\text{₹}</math> restricted to full report).</li> <li><b>PTCs (Platinum Well-2026):</b> Provisional [ICRA]A(SO) - New Assignment.</li> </ol>
<b>Key Observations</b>	<ul style="list-style-type: none"> <li><b>Positive:</b> Significant enhancement in rated debt limits suggests aggressive credit book expansion.</li> <li><b>Positive:</b> Successful securitization (PTCs) lowers the cost of funds and improves liquidity ratios.</li> <li><b>Positive:</b> Strategic focus on "Personal Loan Receivables" indicates a high-yield retail strategy.</li> <li><b>Risk:</b> Digital lending remains sensitive to regulatory shifts (RBI norms on unsecured loans).</li> <li><b>Risk:</b> Asset quality performance of the "Platinum Well-2026" pool is critical for future credit upgrades.</li> <li><b>Risk:</b> High dependence on wholesale funding markets for growth capital.</li> </ul>
<b>Investor Impact</b>	<p><b>Growth Potential:</b> Enhancement of debt limits is a precursor to higher Revenue/EBITDA growth.</p> <p><b>Margins:</b> Securitization (SO ratings) typically lowers interest expense, potentially boosting Net Interest Margins (NIM).</p> <p><b>Leverage:</b> Increased debt limits suggest rising D/E ratio, but structured PTCs mitigate direct balance sheet stress.</p> <p><b>Dilution Risk:</b> Low in the near term as the company is successfully leveraging debt to fund AUM growth.</p>
<b>Agency / Cross Analysis</b>	<p><b>Same Agency (Feb vs Mar 2026):</b> Consistent view. The shift from simply reaffirming bank lines (Feb 27) to rating specific structured instruments (Mar 02) shows a transition toward sophisticated liability management.</p> <p><b>Conclusion: Improvement.</b> The ability to enhance rated amounts while maintaining a "Stable" outlook during a period of GDP revision (7.1% forecast) signals robust internal credit controls.</p>
<b>Final Inference</b>	<b>Real Growth Signal.</b> The reaffirmation combined with "enhanced rated amounts" confirms that the business is scaling without deteriorating its credit profile. Equity investors should view the expansion into the PTC market as a major positive for capital efficiency.

**Note on "Prateek Apparels" (Secondary Mention in Report):** \* **Action:** Downgraded to **Issuer Non-Cooperating (INC)**. \* **Inference:** Sharp **Risk Signal**. Equity in this entity is likely impaired; the downgrade based on "best available information" suggests a total breakdown in management transparency and severe liquidity stress.