

Akme Fintrade (India) Limited

January 14, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Commercial paper	15.00	CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned a short-term rating of 'CARE A3+' to ₹15-crore commercial paper (CP) programme of Akme Fintrade (India) Limited (AFIL). While arriving at the rating CareEdge Ratings has assessed standalone credit profile of AFIL. The rating factors in AFIL's adequate capitalisation position supported by healthy equity infusion of ₹132 crore via initial public offer (IPO) in FY25. The rating also factors in its healthy profitability with improving asset quality metrics.

However, the rating is constrained by its geographical concentrated operations with presence in only five states and share of top state, Rajasthan accounting ~63% in overall assets under management (AUM) as on September 30, 2025. AFIL has grown at a modest pace with compound annual growth rate (CAGR) of ~19% in the last four financial years and its AUM stood at ₹767 crore as on September 30, 2025. The rating also considers AFIL's limited resource profile with high reliance on financial institutions (Fis)/ non-banking financial companies (NBFCs) at ~50% of total borrowings and higher cost of borrowing of AFIL among peers. Additionally, CareEdge Ratings takes note of significant growth of AFIL in vehicle finance segment and hence portfolio performance of the segment shall continue to remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant scale up of operations while maintaining profitability and capitalisation on a sustained basis
- Maintaining comfortable asset quality metrics with NNPA (including net repossessed assets) of less than 2.0% on a sustained basis

Negative factors

- Moderation in asset quality leading to decline in profitability with return on managed assets (ROMA) of below 2.0% on a sustained basis.
- Gearing increasing beyond 4x on a sustained basis.
- Deterioration of liquidity profile of the company

Analytical approach:

Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Comfortable capitalisation

The company's tangible net worth (TNW) increased to ₹398 crore as on September 30, 2025, from ₹129 crore as on March 31, 2021, supported by regular capital infusion, IPO proceeds and healthy internal accruals. The company has raised ~₹265 crore since inception including with ₹132 crore through IPO in June 2024. AFIL reported capital adequacy ratio (CAR) of ~51.7% (Tier I CAR of ~50.7%) and gearing of 0.97x as on September 30, 2025, against ~59.3% and 0.74x, respectively, as on March 31,

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

2025. Despite healthy envisaged growth, CareEdge Ratings expects the company to remain adequately capitalised in the near-to-medium term considering low gearing.

Healthy earnings profile

The company's earnings profile remains moderate as it reported a profit after tax (PAT) of ₹33.2 crore translating to return on managed assets (RoTA) of 5.7% and return on net worth (RONW) of 11.1% in FY25 compared to ₹18. crore, 4.3% and 8.8%, respectively, in FY24. While the company's profitability has been on an improving trend mainly considering improvement in net interest margins (NIMs) and controlled credit cost, the company's ability to further improve its profitability, while maintaining credit cost remains a key monitorable. CareEdge Ratings notes the cost of funds for AFIL has been on a higher side compared to its closest peers in similar segment. The company's ability to reduce its cost of funds and its ability to raise timely funds at competitive rates from diversified sources will continue to be a key monitorable.

Key weaknesses

Modest, despite, improving scale

The company reported AUM of ~₹767 crore as on September 30, 2025, compared to ~₹426 crore as on March 31, 2024, registering a growth of ~80% in the last 1.5 years, supported by healthy disbursements in vehicle financing segment. A major share of its growth is attributed to vehicle finance segment 75% of total disbursements through vehicle finance segment in the last 1.5 financial years. As a result of enhanced disbursements in vehicle finance segment, the product composition of the company has changed from 22:78 for vehicle finance and small and medium enterprise (SME) / loan against property (LAP) as on March 31, 2024, respectively to 48:52 as on September 30, 2025. Since, vehicle finance portfolio is largely unseasoned, CareEdge Ratings will continue to monitor performance of incremental disbursements and early delinquencies for the segment and shall remain a key monitorable.

Geographically concentrated book

AFIL's operations are geographically concentrated, with Rajasthan constituting ~63% gross loan portfolio as on September 30, 2025, followed by Maharashtra at 16%, Gujarat at 14% and Madhya Pradesh at 7%. The company has also expanded into Delhi NCR and its portfolio in this region is expected to scale up over the medium term. CareEdge Ratings expects AFIL to operate in similar geography in the medium term, where it plans to expand its market presence by opening new branches.

Limited seasoning in vehicle finance portfolio

The company's asset quality metrics improved in FY25 as the company reported gross non-performing assets GNPA of 2.77% as on March 31, 2025, improved from 3.63% as on March 31, 2024, mainly due to account recoveries and limited forward flow. While the entity is carrying adequate provision of ~51% on its GNPA as on September 30, 2025 (~54% in March 2025), its ability to contain incremental slippages and improve recoveries from current GNPA book will remain monitorable. Although the current collection efficiency for AFIL has been above 95% since last 15 months, its ability to grow while maintaining healthy asset quality shall continue to remain a key monitorable.

Liquidity: Adequate

Liquidity for AFIL remains adequate with no cumulative asset liability maturity (ALM) mismatches across time brackets September 30, 2025. The company had adequate liquidity in the form of cash and bank balances worth ₹66 crore (including bank fixed deposit) as on September 30, 2025. Over next one year, its obligations of ₹154 crore are due along with scheduled collections of ₹133 crore for the same period.

Assumptions/Covenants

Not applicable

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Non-Banking financial companies](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Financial Institution

The Udaipur based, AFIL was incorporated in 1996 and received a certificate of Registration from Reserve Bank of India (RBI) on April 07, 1999, to commence NBFC business. Earlier, the company was a deposit taking NBFC; however, in 2019, the company surrendered its Deposit taking license to RBI and converted to non-deposit taking systematically important NBFC.

AFIL was founded by Nirmal Kumar Jain, a qualified Chartered Accountant with over 25 years of experience in the finance domain. The company is engaged in financing two wheelers, four wheelers, used commercial vehicles and loan against property (LAP) and operates in rural locations through 29 branches spread across Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, and Delhi NCR.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total income	72.2	101.9	66.8
Profit after tax (PAT)	18.5	33.2	19.7
Assets under management (AUM)	425.7	618.6	767.0
On-book gearing (x)	0.93	0.74	0.97
AUM / tangible net-worth (TNW) (x)	1.94	1.64	1.93
Gross non-performing assets (NPA) / gross stage 3 (%)	3.63%	2.77%	2.96%
Return on managed assets (ROMA) (%)	4.26%	5.71%	4.95%*
Capital adequacy ratio (CAR) (%)	49.86%	59.27%	51.66%

A: Audited UA: Unaudited *Annualised;

Note: these are latest available financial results

Status of non-cooperation with previous CRA:

Not applicable

Any other information:

Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Commercial Paper-Commercial Paper (Standalone)	NA	NA	NA	Proposed	15.00	CARE A3+

*NA: Not applicable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Commercial Paper-Commercial Paper (Standalone)	ST	15.00	CARE A3+				

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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