

Ceejay Finance Limited

February 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	15.00	CARE BBB-; Stable / CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned 'CARE BBB-; Stable/CARE A3' to bank facilities of Ceejay Finance Limited (CFL), deriving strength from continuous funding support from group entities of the Ceejay Group. The group has diversified business interests in sectors such as tobacco, real estate, and finance. Ratings also derive strength from CFL's secured nature of lending, healthy capital adequacy ratio (CAR), comfortable overall gearing, and adequate liquidity.

However, ratings are constrained by CFL's modest scale of operations, moderate asset quality, and product and geographical concentrations in the loan portfolio, with mainly two-wheeler loans extended mostly in the Gujarat region. The company's ability to expand its operations profitably with better product and geographical diversification and improving the asset quality would remain key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Substantial increase in scale of operations while maintaining resilient earning and geographical diversification
- Significant improvement in asset quality with gross non-performing assets (GNPA) (90+ days past due [dpd]) falling below 4% on a sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Degrowth in the company's scale of operations, impacting profitability on a sustained basis.
- Change in support philosophy of the Ceejay group companies towards CFL in terms of access to credit.
- Rise in gearing above 1.5x on a sustained basis.
- Decline in the asset quality with GNPA basis 90+ dpd remaining above 7.5% on a sustained basis.
- Deterioration in profitability with return on total assets (ROTA) falling below 2 % on a sustained basis.

Analytical approach: Standalone

CareEdge Ratings has adopted the standalone approach for analysing CFL.

Outlook: Stable

CareEdge Ratings believes that CFL will continue receiving funding support from the Ceejay group while maintaining a healthy profitability profile and comfortable capitalisation levels.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and management

CFL has a proven operational history of over two decades in the financing sector, led by experienced promoters. Kiran Patel, the Non-executive Chairman and Promoter of CFL, brings 35+ years of industry experience and has been responsible for overseeing manufacturing, marketing, accounting, finance, and taxation functions across the entire group. The company's day-to-day operations are managed by Deepak Patel, the Wholetime Director and Promoter, who holds an MBA from the University of Florida (Miami) and has 29 years of experience in finance, investments, power generation, and real estate. He is supported by Devang Shah, a BCom, LLB, and Chartered Accountant, who has been with the Ceejay group since 1996, serving as their Chartered Accountant and CFO for the past eight years.

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

Healthy capital adequacy ratio and comfortable overall gearing

The company maintains robust capitalisation level with a capital adequacy ratio (CAR; comprising entirely Tier -I capital) of 60.58% as on March 2025, compared to 66.49% as on March 2024. The CAR remains well above the regulatory minimum requirement of 15%, providing a strong capital buffer for business expansion. Overall gearing remained comfortable at 0.62x as on March 31, 2025, compared to 0.48x as on March 31, 2024, while gearing from external debt improved to 0.18x from 0.24x over the same period. As on H1FY26, CAR improved to 63.59% whereas overall gearing stood at 0.56x (gearing from external debt: 0.14x). According to management, gearing levels are expected to remain modest and are not anticipated to rise significantly in the medium term.

Support from the group in the form of low-cost funding, resulting in low reliance on external debt

CFL has received continuous funding support from its group entities through unsecured loans at relatively lower interest rates of 9.00%. However, this made the company's resource base concentrated, historically rendering the benefit of low cost of funds to CFL. The internal (group) borrowings accounted for ~75% of total borrowings as on H1FY26, compared to ~70% as on FY25 and ~50% as on FY24, with the balance comprising external borrowings, indicating a consistently high dependence on group funding. The company's tangible net worth as on March 31, 2025, increased to ₹75.21 crore compared to ₹68.87 crore as on March 31, 2024. Owing to lower reliance on external borrowings, it has resulted into a healthy net interest margin (NIM) of 19.47% in FY25 compared to 17.42% in FY24.

Going forward, the company's ability to reduce reliance on inter-group borrowings and tap external debt, if required, at cost-effective rates for funding future growth will remain to be a key credit monitorable.

Increasing yet modest scale of operations

CFL has a long operational history, having commenced its operations in 1996. However, its scale of operations remains relatively modest, with an asset under management (AUM) of ₹116.45 crore in FY25, compared to ₹93.96 crore in FY24. As on September 30, 2025, the loan portfolio stood at ₹117.03 crore. While the AUM has experienced steady growth over the years, the growth rate has been slow, driven by the company's strategy of selective lending with a focus on profitability and a higher reliance on internal resources. Going forward, continued growth of the loan portfolio, supported by diversified funding sources, will be critical.

Key weaknesses**High geographical concentration**

The company commenced operations in Gujarat and has gradually expanded its presence into Maharashtra. However, the business remains geographically concentrated, with Gujarat accounting for ~95% of the AUM as on September 30, 2025, while Maharashtra contributes ~5%, exposing the company to concentration risk and vulnerability to region-specific economic or credit shocks. Notwithstanding this, the company has continued to scale up its distribution network, with the branch footprint increasing to 41 branches as on September 30, 2025, from 32 branches as on March 31, 2024. Correspondingly, the borrower base improved to 26,215 as on September 30, 2025, from 21,495 as on March 31, 2024, reflecting gradual business expansion.

Exposure to relatively riskier borrower segment

CFL primarily extends financing to farmers and agricultural labourers, whose income is contingent on agricultural output, and to small traders and business owners. The company's customer base presents a concern, as creditworthiness of these borrowers remains untested and is more susceptible to economic shocks, resulting in a higher vulnerability of the potential loan portfolio. However, a significant portion of CFL's loan portfolio is secured through vehicle hypothecation and property mortgages, which offers a level of comfort to the lending business. In the event of delinquency, actual loss is expected to be lower compared to unsecured loans.

Moderate asset quality metrics

In FY25, the gross non-performing assets (GNPA) showed a slight improvement, declining from 5.18% in FY24 to 5.11% in FY25. Despite tightening in NPA recognition norms from 120+ dpd to 90+ dpd in Q3FY25 the GNPA reduced to 4.94% as of September 30, 2025. On a 90+ dpd basis, the metric stood at 10.54% in FY25 compared to 12.26% in FY24 & 11.76% in FY23, before significantly dropping to 4.94% as of September 30, 2025, reflecting improved asset quality.

Liquidity: Adequate

CFL has adequate liquidity with shorter tenure loans and the portfolio largely funded through net worth and unsecured loans from group entities, resulting in low reliance on external debt with no major long-term loans or scheduled repayments. As on September 30, 2025, the company also has unencumbered cash & cash equivalents of ₹0.61 crore. This is further supported by inflows from advances to the tune of ₹32 crore (excluding interest component) in the next six months. Against this, the

company has debt repayments of ₹1.78 crore for the next six months. The company also has an undrawn sanction line of ₹10.82 crore, which provides additional comfort.

Applicable criteria

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios - Financial Sector](#)

[Short Term Instruments](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Non-banking financial company (NBFC)

Incorporated in 1993, CFL is a public limited company registered as a non-banking finance company (NBFC) – asset finance company under the guidelines of the Reserve Bank of India (RBI). The company is promoted by Kiran Patel, Deepak Patel and Shailesh Patel, who have relevant industry experience. CFL is part of the Ceejay group, and the group is involved in manufacturing and marketing of biddies, tobacco and tendu leaves (i.e, bidi leaves), finance and real estate. CFL is primarily engaged in vehicle financing two-wheelers and four-wheelers. The company also provides loans against property and personal loans. The asset under management (AUM) as on September 30, 2025, is ₹117.03 crore. The company operates in Gujarat and Maharashtra through its network of 41 branches as on September 30, 2025, and some dealer networks.

Standalone Financials of CFL

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total income	20.91	26.39	13.12
Profit after tax (PAT)	6.57	6.80	3.92
Assets under management (AUM)	93.96	116.45	117.03
On-book gearing (x)	0.48	0.62	0.56
AUM / tangible net-worth (TNW) (x)	1.36	1.55	1.48
Gross non-performing assets (NPA) / gross stage 3 (%)	5.18	5.11	4.94
Return on managed assets (ROMA) (%)	6.61	5.91	6.26*
Capital adequacy ratio (CAR) (%)	66.49	60.58	63.59

A: Audited UA: Unaudited; Note: these are latest available financial results

*annualised

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
Fund-based-LT/ST		-	-	-	15.00	CARE BBB-; Stable / CARE A3

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	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE BBB-; Stable (20-Jan-23) 2)Withdrawn (20-Jan-23)
2	Fund-based-LT/ST	LT/ST	15.00	CARE BBB-; Stable / CARE A3	1)CARE BBB-; Stable / CARE A3 (04-Apr-25)	-	1)CARE BBB-; Stable / CARE A3 (21-Mar-24)	1)CARE BBB-; Stable / CARE A3 (27-Mar-23)

LT: Long term; LT/ST: Long term/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	Fund-based-LT/ST	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.

Contact us

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