NINETALES 2026

Originator: Akme Fintrade (India) Limited

March 12, 2026

Instrument#	Amount (₹ crore)	Structure	Tenure* (months)	Rating[1]	Credit Enhancement$ (₹ crore)		Rating Action
					Equity tranche PTCs	Cash Collateral	
Series A1 PTCs	12.48	Par (TI-UP) Turbo	29	Provisional CARE A- (SO)	1.54	0.70	Assigned

Details of instruments/facilities in Annexure-1.

The pass-through certificates (PTCs) are rated based on timely payment of interest and payment of principal by the final legal maturity.

* Tenure / door-to-door maturity may change due to prepayments or changes in interest rates, if any.

$ Excess interest spread (EIS) shall be utilised to prepay the Series A1 PTC principal per waterfall mechanism.

Rating in absence of pending steps/documents	No rating can be assigned

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned a rating of 'Provisional CARE A- (SO)' [pronounced as 'Single A Minus (Structured Obligation)'] to the Series A1 PTCs, proposed to be issued by NINETALES 2026 backed by two-wheeler loan receivables originated by Akme Fintrade (India) Limited (the Originator or AFIL).

The rating is based on the credit quality of underlying loans, support in the form of credit enhancement (CE), credit underwriting and servicing capability of the originator, well-defined payment mechanism, and robust legal structure of the transaction.

The final rating will be assigned after copies of the following documents, duly executed in accordance with the structure and to the satisfaction of CareEdge Ratings, are furnished by the originator:

a. Assignment agreement
b. Trust deed
c. Power of attorney
d. A legal opinion from an independent legal counsel
e. Due diligence audit report
f. Any other documents executed for the transaction.

Rating sensitivities: Factors likely to lead to rating actions

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

- Delinquencies (90+ days past due [DPD] as % of initial principal outstanding [POS]) of <2% coupled with the sustained high collection efficiency (cumulative collection efficiency of >98%).
- Sustained build-up of cash collateral (CC) of more than 2 times the initial proposed (as a percentage of the balance POS).

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

- Delinquencies (90+ DPD as % of initial POS) of >7% coupled with the sustained lower collection efficiency (cumulative collection efficiency of <90%).
- Deterioration in the credit profile of the originator.
- Utilisation of CC.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

The rating is based on inter alia, analysis of the underlying pool of receivables, expected performance of the pool, performance of originator's portfolio, and transaction structure including the proposed credit enhancement.

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

Detailed description of key rating drivers

The transaction is structured at par, and the Series A1 PTCs are rated for the timely payment of interest with the repayment of principal by the final legal maturity. The transaction has a turbo amortisation feature, i.e. 100% of the excess interest spread (EIS) every month will be utilised to prepay the Series A1 PTC principal.

The assigned pool consists of over 2,160 two-wheeler loan contracts, aggregating to a principal outstanding of ₹14.02 crore as on the cut-off date. The top three states account for 100.00% of the pool. All the contracts are current on payment. The pool has weighted an average seasoning of ~ nine months with an amortisation of ~27%. ~75% of the contracts in the pool has credit bureau score (CIBIL) of over 690. The pool is granular with scheduled cash flows from the underlying loans. The assignment of the receivables to the special purpose vehicle (SPV) lends strength to these cash flows and the rating factors the terms of servicing agreement as detailed hereinafter.

The CE will comprise CC of 5.00%, subordinated equity tranche PTCs of 11.00%, and subordination of EIS of ~16% of the pool POS in the structure. The CC will be in the form of fixed deposits (FDs) with a lien marked in favour of the trust, per CareEdge Ratings' criteria. The support of both, OC and EIS, is subject to realisation. The EIS is also subject to compression considering prepayments in the pool. The cash flow from the underlying pool, and external credit enhancement, will be used to make payout to the PTC investors.

Key strengths:

- The robustness of the transaction structure and a well-defined payment mechanism.
- CE comprising CC, subordinated equity tranche PTCs and EIS.
- No overdue contracts as on the pool cut-off date. Additionally, ~98% of the contracts in the pool are current since inception while for the remaining contracts the max DPD is five days.
- Underwriting policies and the collection capabilities of AFIL.
- High weighted average seasoning (based on EMI's paid) of ~9 months with amortisation of ~27% as of pool cut-off date.

Key weaknesses:

- High concentration, with the top three states accounting for ~100.00% of the pool.
- Underlying borrowers in the pool have volatile cash flows.

Liquidity: Adequate

The inherent liquidity in the structure is adequate. The interest payouts for Series A1 PTCs are promised monthly, while the principal of Series A1 PTCs is promised to be paid by final legal maturity. In case of delinquency, the payouts are expected to be supported by credit enhancement consisting of CC, principal subordination in the form of equity tranche PTCs, and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover the shortfalls. Since the transaction is sensitive to the credit quality of the underlying pool, CareEdge Ratings has analysed the performance of static pools provided by the originator and the overall portfolio performance of the originator. Considering the borrower profile, nature of the loan, pool characteristics, and portfolio performance, CareEdge Ratings has taken the average shortfall at 8.50%-9.50% of the POS. The base case shortfalls were stressed along with other key factors, such as the timing of shortfalls, the recovery assumptions, and the time to recovery. The pool cash flow has been further adjusted for prepayments of underlying loans, assuming a monthly prepayments in the range of 0.50%-1.00%. CareEdge Ratings has stipulated credit enhancement, which is commensurate with credit rating of the PTCs.

Key risks, concerns, and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties e.g., trustee, banker etc.

Applicable criteria

Policy on Default Recognition
Assignment of Provisional rating
CARE Ratings' methodology for asset/mortgage-backed securitisation

Validity of Provisional rating

Provisional rating shall be converted into a final rating after receipt of transaction documents duly executed/ completion of mentioned steps within 90 days from the instrument's date of issuance. An extension of 90 days may be granted on a case-to-case basis in line with CareEdge Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with Provisional nature of credit rating

When a rating is assigned pending execution of certain critical documents or steps to be taken, the rating is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of critical documents to the satisfaction of CareEdge Ratings, the final rating is assigned. In the absence of documents/ completion of steps or where such documents deviate significantly from those considered, provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

About the Originator / Servicer and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

Registered with the Reserve Bank of India (RBI), AFIL is a prominent non-banking finance company (NBFC) focused on rural and semi-urban finance in India. Since its establishment in 1996, the company has been working towards financial inclusion and empowerment in rural and semi-urban areas of Rajasthan, Maharashtra, Madhya Pradesh, and Gujarat. As on December 31, 2025, the company has 29 branches, and a workforce of 333 employees. AFIL is engaged in loan against property and vehicle loan business for over 20 years and is an active player in securitisation/bilateral market, and as on February 28, 2026, AFIL has around three such live pools with initial size amounting to over ₹30 crore.

The company was founded by Nirmal Kumar Jain. He is AFIL's chairman and the managing director. He has over 27 years of experience in finance and development. He is also a Chartered Accountant and a Cost Accountant. Akash Jain is the Chief Executive Officer of AFIL. He has been associated with NBFCs and housing finance companies (HFCs) and advised them on operational, procedural, and compliance matters throughout his career. In terms of shareholding, AFIL was listed on the Stock exchanges in June 2024. Currently, the company's promoters hold ~41% and the remaining 59% is held by the public.

Key financial indicators - AFIL

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	9MFY26 (UA)
Total income	73.5	102.7	106.5
Profit after tax (PAT)	18.5	33.2	30.1
Assets under management (AUM)	425.7	618.6	862.6
On-book gearing (x)	0.9	0.7	1.1
AUM / tangible net worth (TNW) (x)	1.94	1.64	2.12
Gross non-performing assets (NPA) (%)	3.6	2.8	2.9
Return on managed assets (ROMA) (%)	24.0	24.9	25.1
Capital adequacy ratio (CAR) (%)	49.9	59.3	47.6

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

Key terms of Servicer Contract:

The servicing agreement shall cover role of the originator as the collection and payment agent (CPA) for the SPV in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. The servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises CC in case of shortfall. The servicer must also submit detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. Terms of the agreement shall have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

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

Complexity level of instruments: 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
Pass-through Certificates	-	-	-	-	12.48	Provisional CARE A- (SO)

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	Pass-through Certificates	LT	12.48	Provisional CARE A-(SO)	-	-	-	-

LT- Long term

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

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Pass-through Certificates	Highly complex

Annexure-5: Lender details

Not applicable

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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