



**Press Release**  
**Akme Fintrade India Limited**  
**February 22, 2024**

**Rating Assigned Upgraded and Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BBB   Stable   Assigned	-
Bank Loan Ratings	150.00	ACUITE BBB   Stable   Upgraded	-
Non Convertible Debentures (NCD)	20.00	Not Applicable   Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	170.00	-	-
Total Withdrawn Quantum (Rs. Cr)	20.00	-	-

**Rating Rationale**

Acuite has upgraded its long term rating to '**ACUITE BBB**' (read as **ACUITE t riple B**) from '**ACUITE BBB-**' (read as **Acuite t riple B minus**) on the Rs.150.00 Cr. bank facilities of AKME Fintrade India Limited (AFIL). The outlook remains '**Stable**'.

Acuite has assigned the long term rating of '**ACUITE BBB**' (read as **ACUITE t riple B**) on the Rs.20.00 Cr. proposed bank facilities of AFIL. The outlook is '**Stable**'.

Acuite has withdrawn the long term rating on the Rs. 10.00 Cr. proposed non-convertible debentures of Akme Fintrade India Limited (AFIL). The same is withdrawn without assigning any rating as the Instrument is not an outstanding obligation of the company. The rating is being withdrawn on account of the request received from the company and as per Acuite's policy on withdrawal of ratings as applicable to the respective facility/instrument.

Acuite has withdrawn the long-term rating on the Rs. 10.00 Cr. non-convertible debentures of Akme Fintrade India Limited (AFIL) without assigning any rating on account of request received from client on redemption of the facility. The facility has been redeemed in full. No dues confirmation recieved from the trustee and in accordance with Acuite's policy on withdrawal of ratings.

**Rationale for Upgrade**

The rating upgrade is primarily driven by capital infusion and improvement in collection efficiency along with the change in management and inclusion of experienced professionals in the Board of Directors. The promoters' equity infusion in FY23, which has taken the networth to ~Rs.204.7 Cr as on March 31, 2023 from Rs.136.84 Cr as on March 31, 2022 together with repayments in debt, the gearing has come down to 0.87 times as on March 31, 2023 as against 1.68 times as on March 31, 2022. Further, the collection efficiency has improved to ~92.9% in December 31, 2023 (Prov.) as against ~86% in December 31, 2022 and ~73% in March 31, 2022. AFIL has broad based its management team by inducting experienced professionals. The NBFC has also launched a digital platform "AASANLOANS" to cater to its product portfolio and enhancing the business model. AFIL has appointed CEO, Mr. Bobby Singh Chandel, COO, Mr.Sunil Devdas, Legal Head, Mr. Satish Sawnani, Tech Advisor, Mr. Rajendra Sawant, CRO and CCH, Mr. Suresh Chandra Gupta and Collection Head, Mr. Naresh

Goswami, hence completely revamping its top management with professionals having rich vintage in their domain in lending space. AFIL have inducted Mr Shiv Prakash Shrimali, ex-

chairman of RMGB, in to their Board of Directors. The induction of new management is expected to further augment the business risk profile AFIL over the medium term. The NBFC also intends to raise fresh equity by way of IPO till end of the current fiscal year which shall further strengthen its capital base.

These strengths however, are partly offset by its moderate asset quality, marginal improvement in AUM and disbursements, and geographical concentration of the portfolio. The moderate asset quality of AFIL is marked by GNPA at 4.26% as on December 31, 2023 (Prov.) as against 4.57% as on March 31, 2023 and 4.9% for March 31, 2022. The AUM of AFIL stood at ~Rs. 401.11 Cr. as on December 31, 2023 (prov) as against ~Rs.381.34 Cr. as on March 31, 2023 and ~Rs.387.11 Cr for March 31, 2022. The disbursements for FY23 stood at ~Rs.78.34 Cr.as against Rs.19.54 Cr. in FY22 and Rs.53.78 in FY21. The disbursement till December, 2023 (prov) improved to ~Rs. 50.77 Cr. The PAT levels of NBFC surged to Rs.14.52 Cr for FY23 as against Rs.4.33 Cr. for FY22; and stood at ~Rs. 12.24 Cr (prov) for 9MFY24. Portfolio of AFIL is geographically concentrated as ~71% of their portfolio originating from Rajasthan. Going forward, the company's ability to raise funds and improve the AUM, disbursements and profitability while improving the asset quality would remain a key monitorable.

### About the company

Udaipur based, Akme Fintrade India Limited (AFIL) was incorporated in 1996 as a non-deposit taking non-banking finance company (NBFC). The company is engaged in financing of two wheelers, four wheelers, commercial vehicles and loan against property (LAP) towards SME borrower base. AFIL is promoted by Mr. Nirmal Kumar Jain. The company presently operates across Rajasthan, Madhya Pradesh, Maharashtra, Gujarat and Odisha as on September 30, 2022, with majority of their operations in Rajasthan.

### Unsupported Rating

Not Applicable

### Analytical Approach

Acuité has considered the standalone business and financial risk profile of AFIL to arrive at the rating.

### Key Rating Drivers

#### Strength

##### Experienced Promoters and Management

AFIL's board comprises 10 members led by Mr. Nirmal Jain (Promoter Director). Mr. Nirmal Jain has over two decades of experience in financial services domain. Mr. Jain is a Chartered Accountant and actively manages day-to-day activities of the company. AFIL has recently inducted Mr. Shiv Prakash Shrimali, as an independent director on the board. Mr. Shrimali, ex-chairman of Rajasthan Marudhara Gramin Bank (RMGB), is a seasoned banker with more than 3 decades of experience across the business verticals in lending space. All other members in the board has an experience of close to a decade in different sectors of finance and lending space. The top management of AFIL has appointed CEO, Mr. Bobby Singh Chandel, VP Finance and Treasury, Mr. Akash Jain, Product Head, Mr. Kamlesh Jain, CRO and CCH, Mr. Suresh Chandra Gupta and Collection Head, Mr. Naresh Goswami, hence completely revamping its top management with professionals having rich vintage in their domain in lending space. Day to day operations are being managed by this team backed by defined policies, processes and guidelines to ensure asset build up backed by quality.

##### Capital Infusion and Healthy Capitalisation

The promoters' equity infusion in FY23 has taken the networth of the company to ~Rs. 204.7 Cr. as on March 2023; further the repayments in debt along with the capital infusion has taken the gearing levels to a healthy position of 0.87 times as on March , 2023. The NBFC also plans to raise fresh equity of Rs.~120 Cr by way of IPO in the month of April 2024.

In line with the capital infusion, AFIL reported a healthy capitalisation level. The CAR improved to 51.19% as on March 31, 2023 and 35.07% as on March 31, 2022.

## Improving Asset Quality and Financial Performance

AFIL has witnessed moderate growth in its asset quality with GNPA at 4.26% as on 9MFY24 (prov). The GNPA as on March 31, 2023 stood at 4.57% as compared to 4.9% as on March 31, 2022. The GNPA's have largely originated and have remained concentrated in the LAP portfolio of the company with (~94%). Eventhough there is improvement in the collection efficiency of the company to ~92.92% in December, 2023 (prov) from ~87.19% in March 2023; the marginal decline in AUM has kept the GNPA's away from significant improvement. Eventhough the GNPA's have been stagnant, AFIL has witnessed moderate growth in its GNPA and NNPA; and the NBFC made a provision of ~Rs. 3.8 Cr as on March 2023.

The AUM of AFIL stood at ~Rs.401.11 Cr as on Decemeber, 2023 (prov). The AUM for FY23 was ~Rs. 381.34 Cr. and ~Rs. 387.11 Cr. for FY22. The company reported PAT of ~Rs. 14.52 Cr. for FY23 as against ~Rs.4.33 Cr. for FY22. The PAT for 9MFY24 (prov) stood at ~Rs. 12.24 Cr. The RoAA improved to 3.81% for FY23 from 1.18% for FY22.

## Weakness

### Geographical Concentration

AFIL has presence majorly in Rajasthan with ~73 percent of the AUM originating from there as on H1FY24. This exposes the company to high geographical concentration risk. The company's performance is expected to remain exposed to competitive landscape in these regions and occurrence of events such as natural calamities, are likely to adversely impact the credit profile of the borrowers. Besides geography, the company will be exposed to competition and any changes in the regulatory framework thereby impacting credit profile of AFIL. Going forward the company's ability to improve its asset quality while improving its financial metrics will be a key monitorable.

## Rating Sensitivity

- Ability to raise resources in timely manner (equity and debt)
- Movement in asset quality
- Movement Profitability and capital adequacy

## Liquidity Position

### Adequate

The capital infusions and increase in the collection efficiency have kept the liquidity profile of AFIL adequate. There are no negative cumulative mismatches observed in any of the buckets of the ALM statement. The company has a net surplus in the range of Rs. 1.5-2 Cr every month and also have a short term deposit with banks of ~Rs. 11.25 Cr. as on December 31, 2023 (prov).

## Outlook : Stable

Acuité believes that AFIL will benefit from its experienced promoters and top management in the near to medium term. The outlook may be revised to 'Positive' in case of higher than expected growth in loan book, improvement in key operating metrics and liquidity. The outlook may be revised to 'Negative' in case of any headwinds faced in scaling up of operations or in case of any challenges in maintaining its asset quality and profitability metrics or any further deterioration in liquidity position.

## Other Factors affecting Rating

None

## Key Financials - Standalone / Originator

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Total Assets	Rs.		
	Cr.	389.01	373.03
Total Income*	Rs.		

	Cr.	37.41	32.22
PAT	Rs.		
	Cr.	14.52	4.33
Networth	Rs.		
	Cr.	204.71	137.85
Return on Average Assets (RoAA)	(%)	3.81	1.18
Return on Average Net Worth (RoNW)	(%)	8.48	3.63
Total Debt/Tangible Net Worth (Gearing)	Times	0.87	1.67
Gross NPA	(%)	4.57%	4.90%
Net NPA	(%)	3.44%	4.06%

#### **Status of non-cooperation with previous CRA (if applicable):**

Not Applicable

#### **Any other information**

None

#### **Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

#### **Note on complexity levels of the rated instrument**

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Mar 2023	Proposed Bank Facility	Long Term	70.91	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	3.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	1.15	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	0.79	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	1.11	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Non Convertible Debentures	Long Term	10.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	50.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	0.44	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Secured Overdraft	Long Term	1.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	2.59	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Proposed Non Convertible Debentures	Long Term	10.00	ACUITE Provisional BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	9.01	ACUITE BBB-   Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	5.28	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	3.60	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	4.72	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	3.14	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.59	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	1.99	ACUITE BB+ ( Issuer not co-operating*)
	Non Convertible Debentures	Long Term	10.00	ACUITE BB+ ( Issuer not co-operating*)
	Proposed Non Convertible Debentures	Long Term	10.00	ACUITE Provisional BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.94	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	2.49	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long	5.60	ACUITE BB+ ( Issuer not co-operating*)



28 Jun 2022		Term		
	Cash Credit	Long Term	50.00	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	5.83	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	3.92	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	4.10	ACUITE BB+ ( Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.01	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.86	ACUITE BB+ ( Issuer not co-operating*)
	Proposed Bank Facility	Long Term	36.51	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.83	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	3.79	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	2.20	ACUITE BB+ ( Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB+ ( Issuer not co-operating*)
	Term Loan	Long Term	2.50	ACUITE BB+ ( Issuer not co-operating*)
	Cash Credit	Long Term	5.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Proposed Non Convertible Debentures	Long Term	80.00	ACUITE BB+ (Withdrawn)
	Term Loan	Long Term	3.79	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Proposed Non Convertible Debentures	Long Term	10.00	ACUITE Provisional BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	0.01	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	2.20	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	0.55	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Cash Credit	Long Term	50.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	3.14	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	0.59	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	4.72	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	1.99	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	0.55	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)

01 Jul 2021	Term Loan	Long Term	4.10	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	0.86	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	3.60	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	2.49	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	5.83	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Proposed Bank Facility	Long Term	97.00	ACUITE BB+ (Withdrawn)
	Term Loan	Long Term	2.50	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	5.60	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	3.92	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	5.28	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Non Convertible Debentures	Long Term	10.00	ACUITE BB+   Stable (Assigned)
	Term Loan	Long Term	0.94	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Cash Credit	Long Term	5.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Proposed Bank Facility	Long Term	32.57	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	0.83	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)
	Term Loan	Long Term	3.94	ACUITE BB+   Stable (Downgraded from ACUITE BBB   Negative)



## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
A U Small Finance Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	50.00	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	INE916Y07016	Non-Convertible Debentures (NCD)	30 Jun 2020	12	30 Jun 2023	Simple	10.00	Not Applicable   Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	70.91	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.11	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.79	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	Not Applicable   Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.01	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.44	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE BBB   Stable   Assigned
A U Small Finance Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2029	Simple	3.00	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2029	Simple	1.15	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2029	Simple	2.59	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )

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### About Acuité Ratings & Research

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