



Press Release
AARSH FINCON LIMITED (ERSTWHILE AKME FINCON LIMITED)
July 25, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	33.52	ACUITE BBB- Stable Reaffirmed	-
Non Convertible Debentures (NCD)	10.00	ACUITE BBB- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	43.52	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B minust**)o the Rs. 33.52 Cr. bank loan facilities of AARSH FINCON LIMITED (ERSTWHILE AKME FINCON LIMITED) (AFL). The outlook is ‘**Stable**’.

Acuite has reaffirmed the long term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B minust**)o the Rs. 10.00 Cr. Non-Convertible Debentures of AARSH FINCON LIMITED (ERSTWHILE AKME FINCON LIMITED) (AFL). The outlook is ‘**Stable**’.

Rationale for the Rating

The rating reaffirmation is primarily driven by experienced management, established presence in its areas of operation and adequate capitalization level. The rating takes into account the ability of the company to raise funds through equity infusion at regular intervals (Rs 5.78 Cr. during FY2025 (Prov)) and expectations of further equity infusion in near to medium term. Moreover, the rating also takes into account the growth in business performance such as AUM, Disbursements and Net Interest Income where all 3 facets have grown in FY25.

The rating is, however, constrained by modest scale of operations coupled with modest financial performance and geographic concentration . The company’s PAT moderated to Rs 2.19 Cr. as on March 31,2025 (Prov) from Rs 2.24 Cr. as on March 31,2024 owing to significant increase interest expenses and operational costs relating to the expansion in FY25. The company had a GNPA of 2.17 percent as of March 31, 2025 (Prov). AFL’s portfolio is exposed to a medium to high geographical concentration risk, as 99.99% percent of the total disbursements is concentrated in the states of Rajasthan, Delhi and Orissa as of March 31 2025 (Prov).

About the company

Udaipur based; AARSH Fincon Limited (ERSTWHILE AKME FINCON LIMITED) was incorporated in 1996 as a non-deposit taking non-banking finance company (NBFC). The company is engaged in financing of two wheelers, three/four wheelers, commercial vehicles and loan against property (LAP) towards SME borrower base. AFL is promoted and managed by Mr. Anil Kumar Jain. The company presently operates through a network of 57 branches spread across Rajasthan, Delhi, Orissa and Gujarat.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of AARSH FINCON LIMITED to arrive at

the rating

Key Rating Drivers

Strength

Experienced Management:-

AARSH FINCON LIMITED (AFL), a Non-Deposit accepting Non-Banking Financial Company, commenced its operations in 1996. The operations of the company are managed by Mr. Anil Kumar Jain (Managing Director). He has over two decade of experience in non-banking and financial services. Mrs. Shilpa Jain (Executive Director) and Mrs Vimal Jain (Executive Director) actively manage and supervise the day to day operations of the company. Mr Praveen Kumar (Additional Director) is responsible for corporate administration & relationship management. Further, AFL has long track record of operations in the vehicle financing segment. The company's AUM stood at Rs 132.92 Cr. as on March 31, 2025 (Prov.) and Rs 96.13 Cr. as on March 31, 2024. The company's disbursements stood at Rs.69.93 Cr. in FY2025 (Prov) as against Rs.49.18 Cr. in FY2024.

Acuité believes that AFL will continue to benefit from its established presence in the financial services industry along with the experienced promoters.

Healthy Capitalization levels:

The company's AUM stood at Rs 132.92 Cr. as on March 31, 2025 (Prov) and Rs 96.13 Cr. as on March 31, 2024. The networth stood at Rs 50.52 Cr. as on March 31, 2025 (Prov) as against Rs 42.61 Cr. as on March 31, 2024. AFL's Capital Adequacy Ratio (CAR) stood at 31.84 percent as on March 31, 2025 (Prov), which marginally deteriorated from 38.19 percent as on March 31, 2024 owing to increase in risk weighted assets.

Acuite believes that AFL will benefit from continued support of Management going forward.

Weakness**Moderate asset quality and financial performance**

GNPA and NNPA levels stood at 2.17 percent and 1.69 percent as on March 31, 2025 (Prov) as against 2.26 percent and 1.93 percent as on March 31, 2024. AFL registered operating income of Rs. 9.87 Cr. in FY2025 (Prov) as against Rs.8.79 Cr. in FY2024. NIM and ROAA stood at 9.32 per cent and 1.55 per cent for FY2025(Prov) as compared to 10.65 per cent and 2.13 per cent for FY2024, respectively. Company's PAT has reduced marginally to Rs 2.19 Cr. as on March 31, 2025 (Prov) compared to Rs. 2.24 Cr. as on March 31, 2024.

Acuite believes that going forward ability of the company to grow its loan portfolio while improving its profitability will be key monitorable.

Modest scale of operations coupled with geographic concentration risk

The company has modest scale of operations with an AUM of Rs. 132.92 Cr. as on March 31, 2025 (Prov), as compared to Rs 96.13 Cr. as on March 31, 2024. AFL's portfolio is exposed to high geographical concentration risk, as 99.99 per cent of the total portfolio is concentrated in only the states of Rajasthan, Orissa and Delhi. However, AFL has expanded to the state of Gujarat to minimize the geographic concentration risk. Generally, the risk profile of NBFCs with a geographically diversified portfolio is more resilient compared to that of entity with a geographically concentrated portfolio.

Acuité believes that modest scale of operations coupled with geographic concentration in its portfolio will continue to weigh on the company's credit profile over the near to medium term.

Rating Sensitivity

- Movement in collection efficiency and asset quality
- Movement in liquidity buffers
- Movement in profitability parameters
- Changes in regulatory environment

All Covenants

Covenants are not available as it is a Proposed NCD

Liquidity Position**Adequate**

AFL's ALM statement as on March 31, 2025 (Prov) shows positive cumulative mismatch in all the buckets and its liquidity position is adequate marked by monthly collections efficiency of approximately 98%. AFL has Rs.35.10 Cr. of repayment towards borrowings within one year and Rs 37.02 Cr. of principal collections come due within one year, which seems to be a managed liquidity situation. AFL has cash and cash equivalents of Rs.4.50 Cr.

Acuité believes that the ability of the company to raise long term funding and improve collections will be critical to maintaining liquidity profile at adequate levels.

Outlook:

Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Provisional)	FY24 (Actual)
Total Assets	Rs. Cr.	165.35	116.50
Total Income*	Rs. Cr.	11.53	9.28
PAT	Rs. Cr.	2.19	2.24
Networth	Rs. Cr.	50.52	42.61
Return on Average Assets (RoAA)	(%)	1.55	2.13
Return on Net Worth (RoNW)	(%)	4.94	5.39
Total Debt/Tangible Net Worth (Gearing)	Times	2.13	1.68
Gross NPA	(%)	2.17	2.26
Net NPA	(%)	1.69	1.93

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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Aug 2024	Cash Credit	Long Term	13.90	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.11	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.39	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	13.87	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.25	ACUITE BBB- Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	10.00	ACUITE BBB- Stable (Assigned)
31 Jan 2024	Term Loan	Long Term	0.19	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.28	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	14.73	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.86	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.44	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	2.86	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.29	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	0.97	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.49	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	9.85	ACUITE BBB- (Reaffirmed & Withdrawn)
	Dropline Overdraft	Long Term	0.50	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.47	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.17	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.90	ACUITE Not Applicable (Withdrawn)
11 Nov 2022	Cash Credit	Long Term	24.58	ACUITE BBB- Stable (Reaffirmed)
	Dropline Overdraft	Long Term	0.50	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.47	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.49	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.17	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.72	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.72	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.48	ACUITE BBB- Stable (Reaffirmed)

	Term Loan	Long Term	0.97	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.90	ACUITE BBB- Stable (Reaffirmed)
03 Nov 2022	Cash Credit	Long Term	24.58	ACUITE BBB- Stable (Reaffirmed)
	Dropline Overdraft	Long Term	0.50	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.47	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.49	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.17	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.72	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.72	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.48	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.97	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.90	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.76	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.36	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Reaffirmed
MAS Financial Service Ltd.	Not avl. / Not appl.	Term Loan	14 Oct 2021	Not avl. / Not appl.	19 Oct 2024	0.11	Simple	ACUITE BBB- Stable Reaffirmed
MAS Financial Service Ltd.	Not avl. / Not appl.	Term Loan	22 Aug 2022	Not avl. / Not appl.	25 Aug 2025	0.08	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	30 Aug 2022	Not avl. / Not appl.	31 Dec 2027	10.21	Simple	ACUITE BBB- Stable Reaffirmed

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