

August 01, 2025

Ascend Bizcap Private Limited: [ICRA]BBB- (Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund-based/Non-fund based bank lines	50.00	[ICRA]BBB- (Stable); assigned
Total	50.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating factors in Ascend Bizcap Private Limited's (ABPL) adequate capitalisation profile for the current scale of operations, supported by the primary capital infusion of Rs. 50 crore from Info Edge Capital and Asha Ventures in two tranches in Q4 FY2024 and Q3 FY2025. It had a net worth of Rs. 62.1 crore and a managed gearing of 1.7x as on June 30, 2025 (Rs. 60.2 crore and 1.4x, respectively, as on March 31, 2025). ICRA notes that ABPL would need to raise capital in the near to medium term to maintain prudent capitalisation levels while growing as per business plans.

ABPL primarily provides new electric vehicle (EV) financing (new e-rickshaws and e-autos/e-loaders) to underserved customers in tier 2 and 3 cities. Given the nascent stage of operations (commenced in 2019), the geographical concentration remains high with the top 3 states/Union Territory (UT) accounting for 90.6% of the portfolio of Rs. 149.9 crore as on June 30, 2025. ABPL's portfolio is secured by income generating assets, however, remains vulnerable because of the inherent risks associated with the underlying borrower segment, which is relatively more susceptible to economic cycles with limited buffers to absorb income shocks.

ABPL's profitability remains modest with a profit after tax (PAT) of Rs. 1.6 crore and a return on managed assets (RoMA) of 1.3% in FY2025. In this regard, the earnings profile improved in Q1 FY2026¹ with a PAT of Rs. 2.2 crore. Nevertheless, managing earnings as the scale expands will remain a key monitorable. Going forward, improving the operational efficiency with scale while maintaining control over the asset quality would be critical for enhancing the earnings profile on a sustained basis.

The Stable outlook on the rating reflects ICRA's expectation that the company will maintain adequate capital buffers and improve its earnings profile while sustaining its portfolio growth.

Key rating drivers and their description

Credit strengths

Adequate capitalisation profile for current scale of operations – ABPL's capitalisation profile remains adequate for the current scale of operations, supported by the Rs. 50-crore primary capital infusion through compulsorily convertible preference shares (CCPS) from Info Edge Capital and Asha Ventures in two tranches in Q4 FY2024 and Q3 FY2025. This led to an increase in its net worth to Rs. 60.2 crore as on March 31, 2025 (Rs. 25.6 crore as on March 31, 2024) from Rs. 8.5 crore as on March 31, 2023. Consequently, the managed gearing declined to 1.4x as on March 31, 2025 (2.2x as on March 31, 2024) from 3.9x as on March 31, 2023. Further, it had a net worth of Rs. 62.1 crore and a managed gearing of 1.7x as on June 30, 2025. ICRA notes that ABPL would need to raise capital in the near to medium term to maintain prudent capitalisation levels while growing as

¹ Provisional

per business plans. The company envisages to achieve assets under management (AUM) of ~Rs. 300 crore by March 31, 2027. Its managed gearing is expected to remain below 4x on a steady-state basis.

Credit challenges

Nascent stage of operations; high geographical concentration – ABPL commenced operations in 2019 and had a presence in 58 cities across five states/UTs, serving 15,726 borrowers with AUM of Rs. 149.9 crore as on June 30, 2025. Its portfolio includes e-rickshaws (57% of the AUM as on June 30, 2025), e-autos/e-loaders (41%) and others (including batteries, etc; 2%).

Given the early stage of operations, geographical concentration remains high with the top 3 states/UT, i.e. Uttar Pradesh (UP; 67.0%), Delhi (12.3%) and Rajasthan (11.3%), accounting for the majority of the portfolio as on June 30, 2025. Madhya Pradesh (5.0%) and Bihar (4.4%) accounted for the balance.

Exposure to relatively weak borrower profile; asset quality remains monitorable in an evolving industry – ABPL's portfolio is secured by income generating assets, however, remains vulnerable because of the inherent risks associated with the underlying borrower segment, primarily comprising underbanked customers from tier 2 and tier 3 cities with informal income and limited or no credit history. Additionally, the borrowers are relatively more vulnerable to economic cycles and have limited buffers to absorb income shocks.

The gross non-performing advances (GNPAs) stood at 1.40% as on June 30, 2025 (1.74% as on March 31, 2025) compared to 3.04% as on March 31, 2024 due to the recent growth in the loan book. Given the evolving nature of the EV financing business segment and ABPL's limited track record, its portfolio has not yet seasoned. ICRA notes that the company was able to achieve recoveries via the resolution and sale of assets, totalling 78% of the repossessed assets (opening and additions) in FY2025. ABPL's ability to maintain control over the asset quality will remain monitorable as the business expands.

Modest, albeit improving, earnings profile – ABPL has been scaling up its business volume significantly over the past few years, resulting in high operational expenses. The company's net profit improved over the past three years to Rs. 1.6 crore in FY2025 from Rs. 0.2 crore in FY2023, supported by sufficient interest margins and range-bound credit costs (0.4-0.7% as a proportion of average managed assets). In Q1 FY2026, ABPL reported a PAT of Rs. 2.2 crore and RoMA of 4.9% (annualised basis). Going forward, improving the operational efficiency with scale while maintaining control over the asset quality would be critical for enhancing the earnings profile on a sustained basis.

Liquidity position: Adequate

ABPL's liquidity position is adequate with positive cumulative mismatches in the buckets up to 1 year, as per the provisional asset-liability maturity (ALM) profile as on June 30, 2025. For the 12-month period ending June 30, 2026, the company has debt repayments of Rs. 72.2 crore against scheduled inflows from performing advances of Rs. 88.8 crore. Further, liquidity is supported by cash and liquid investments of Rs. 28.23 crore (27% of on-balance sheet borrowings) and sanctioned and undrawn credit lines of Rs. 10.1 crore, as on June 30, 2025, from non-banking financial companies (NBFCs).

ABPL's borrowing profile is dominated by term loans from NBFCs with a 93.2% share in the borrowing mix as on June 30, 2025. Its ability to expand its lending relationships and diversify its funding profile to raise resources at better prices would be a key monitorable.

Rating sensitivities

Positive factors – The rating could be upgraded on a sustained increase in the scale with an improvement in the profitability while keeping the asset quality indicators under control.

Negative factors – Pressure on the rating could emerge on an increase in the leverage (managed gearing beyond 5x on a sustained basis) or a weakening in the asset quality or earnings profile. A deterioration in the liquidity profile shall also impact the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the company

ABPL, a non-deposit accepting non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI), was incorporated in June 2019 and is based in Jaipur (Rajasthan). It was founded by Mr. Lokesh Chandra (having prior experience in financial services) and Mr. Gaurav Maheswari (having prior experience in tech-driven risk modelling).

ABPL is a majority-owned subsidiary of LCGM Technologies Private Limited (LCGM), which previously housed the technology platform and is majority held by the two founders of ABPL. As on June 30, 2025, LCGM held a 50% stake in ABPL on a fully-diluted basis followed by Info Edge Capital (25%) and Asha Ventures (25%).

The company reported a profit after tax (PAT) of Rs. 1.6 crore on total income of Rs. 21.8 crore in FY2025 compared to Rs. 0.1 crore and Rs. 13.7 crore, respectively, in FY2024. Its net worth stood at Rs. 60.2 crore with a managed gearing of 1.4x as on March 31, 2025 compared to Rs. 25.6 crore and 2.2x, respectively, as on March 31, 2024. The gross and net NPAs stood at 1.74% and 1.57%, respectively, as on March 31, 2025 compared to 3.04% and 2.74%, respectively, as on March 31, 2024.

ABPL reported a PAT of Rs. 2.2 crore on total income of Rs. 10.4 crore in Q1 FY2026. Its net worth stood at Rs. 62.1 crore with a managed gearing of 1.7x as on June 30, 2025. The gross and net NPAs stood at 1.40% and 1.26%, respectively, as on June 30, 2025.

Key financial indicators

ABPL	FY2024	FY2025	Q1 FY2026
	Audited	Audited	Provisional
Total income	13.7	21.8	10.4
PAT	0.1	1.6	2.2
Total managed assets	88.3	163.7	189.8
Return on managed assets	0.1%	1.3%	4.9%
Managed gearing (times)	2.2	1.4	1.7
Gross NPA	3.0%	1.7%	1.4%
CRAR	63.6%	41.0%	37.0%

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	FY2026			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Aug 01, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based/Non-fund based – Bank lines	Long term	50.00	[ICRA]BBB- (Stable)	-	-	-	-	-	-

Source: ICRA Research

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based/Non-fund based bank lines	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details[^]

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA*	Long term – Fund-based/Non-fund based bank lines	NA	NA	NA	50.0	[ICRA]BBB- (Stable)

Source: Company; * Proposed; ^ as on July 30, 2025

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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