

Anniyam Payment Solutions Private Limited

January 22, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	CARE B+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to Anniyam Payment Solutions Private Limited (Anniyam) is constrained by the company's modest scale of operations, low network base, and the nature of industry with exposure to security issues, cyber threats and regulatory challenges. The rating, however, derives strength from experienced management team and established relationship with the customers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in the scale of operations above Rs.50 crore with PBILDT margin of 4%.
- Diversification in client profile.

Negative factors

- Moderation in capital structure with overall gearing above 3x
- Any cancellation of contracts with the customer leading to lower income than anticipated.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects that Anniyam is expectation to continue derive benefits from experienced promoters and steadily grow the scale of operations with contracts from various banks and institutions.

Detailed description of key rating drivers:

Key weaknesses

Modest scale of operations

Anniyam has limited track record of operations with the company being incorporated during the year 2021. Since inception, the company has been operating as Technology Service Provider (TSP) to the Canara Bank. The scale of operations has been modest with operating income of Rs.0.64 crore in FY24 (refers to April 2023 till March 2024) as against Rs.0.75 crore in FY23. During current financial year, Anniyam had secured a contract from Canara Bank as a Service Provider for Implementation of End-to-End Digitalization of Self Help Group (SHG) and Onboarding of Agents for Capturing Financial/Non-Financial Transactions for a Period of 3 Years, on a Business Correspondent (BC) model, by sharing revenue with BC agents. The project is expected to become live and start generating income from February 2025 onwards. Being a new entrant to the BC model, the ability of the company to successfully execute the contract as per the terms and generate revenue as envisaged remains to be seen.

Modest Financial Risk Profile

The financial risk profile of Anniyam remains modest, characterized by relatively small-scale operations and limited capital base with network of Rs.2.17 crore as on March 31, 2024. Though the company do not have any debt obligations as on date, while the company scales up its operations, there could be challenges in managing working capital requirements towards purchase of devices and other establishment costs. The low capital base may impact its ability to make significant investments in technology and workforce expansion. Achieving scalability while maintaining a lean cost structure remains a key to the prospects.

Exposure to security issues and regulatory challenges

Cybercrimes and hacking are some challenges that can haunt the banking industry. The banking sector is particularly vulnerable to cyber threats due to the vast amount of sensitive financial information it handles, the unauthorized exposure of which can have

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

significant consequences. Compliance with various regulations is another challenge that neo banking solutions must encounter. It has to prioritize strong security protocols to safeguard their customers' data. The neo-banking entities in India are not subject to direct regulation by the RBI, however they operate under a veil of indirect control owing to their partnership with a traditional bank. Companies operating in this segment are continually required to innovate to rapid technological advancements and maintain robust customer relationships to sustain their competitive edge.

Key strengths

Experienced Management Team

Although Anniyam is a relatively new entity, incorporated in 2021, its management team brings a vast experience from their previous roles at Yesteam Solution Private Limited (YSPL), which is established in 2012, specialized in developing mobile and web technology solutions. Leveraging the expertise and operational frameworks from YSPL, Anniyam was able to seamlessly integrate and transition operations into its new structure. The experienced leadership provides a strong foundation for Anniyam's strategic initiatives and growth trajectory. The Chief Executive Officer CA. E.V Manigandan has over 17 years of experience in SHG domain banking, finance, bookkeeping, MIS & SHG digitization. Mr. R. Balaji, Chief Operating Officer also has over 14 years of experience in timely delivery of end to end SHG digital services

Innovative Payment Solution

Anniyam delivers innovative payment solutions tailored to meet the evolving needs of its clients. The company's emphasis on digitizing banking processes for self-help groups (SHGs) under the Business Correspondent (BC) model positions it as a established player in the financial technology space. It has won the Winning solution of Reserve Bank Innovation Hub Swanari Techsprint 2022. The solutions are Co-Incubated by Reserve Bank Innovation Hub and IIM-A Ventures.

Reputed Clientele

Anniyam has existing relationship with Canara Bank for last three years as a Technical Service Provider (TSP). Current year company has secured order from Canara Bank to operate under Business correspondent (BC) model, by sharing revenue with business correspondents. Company is also in various stages of negotiations with other customers such as Federal Bank, Odisha Gramin bank, Kerala Bank, Central Bank of India, Bank of Baroda to expand its services which are expected to be started in the next 1-2 years.

Liquidity: Stretched

Liquidity remains stretched, marked by limited cash flow from operations and low free cash and bank balance of Rs. 0.01 crore as of March 31, 2024. The company, however, does not have any term loans or working capital limits. The liquidity is supported by infusion of equity and unsecured loans from the promoters in the past. As of March 31, 2024, the current ratio stood low at 0.83x.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Issuer Rating](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Services	IT Enabled Services

Anniyam Payment Solutions Private Limited (Anniyam), incorporated on January 11, 2021, is a fintech company specialized in digital payment processing solutions for businesses. The management team includes E.V Manigandan, Sarahana Thiyagarajan and Balaji R. It provides unified platform as a service catering to Self-Help Groups (SHGs).

Brief Financials (₹ crore)	31-03-2023 (A)	31-03-2024 (A)	31-12-2024 (Prov.)
Total operating income	0.75	0.64	0.95
PBILDT	-0.07	-0.13	0.13
PAT	-0.14	-0.19	0.12
Overall gearing (times)	0.20	1.05	NA
Interest coverage (times)	NM	NM	NM

A: Audited Prov.: Provisional NA: Not Available NM: Not Meaningful; Note: 'the above results are latest financial results available'

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
Issuer Rating-Issuer Ratings		-	-	-	0.00	CARE B+; Stable

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE B+; Stable				

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 the Instrument	Complexity Level
1	Issuer Rating-Issuer Ratings	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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