

Anand Property Finance Limited

March 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	25.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Detailed Rationale & Key Rating Drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from Anand Property Finance Limited (APFL) to monitor the rating(s) vide e-mail communications dated January 13, 2025, February 10, 2025, and February 24, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring ratings. In line with the extant SEBI guidelines, CARE Ratings has reviewed the rating basis best available information, which however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Anand Property Finance Limited has also not paid surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on APFL's bank facilities will now be denoted as CARE D/CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and public at large) are hence requested to exercise caution while using above rating(s).

Analytical approach: Standalone

Detailed description of key rating drivers

At the time of last rating on February 26, 2024, following were the rating strengths and weaknesses (could not be updated as information is not available with Ministry of Corporate Affairs [MCA]):

Key weaknesses

Small scale of operations with limited track record and lower growth in new business

APFL was incorporated in March 1995 with its registered office in Surat. However, earlier the company was into digital lending business with fintech partners since 2019; majority operations were discontinued post digital lending guidelines, with it being fully closed in FY23. The company has entered direct lending with gold loans introduced in January 2022, which would remain its flagship product going ahead. The company's assets under management (AUM) stood at ₹62 crore as on March 31, 2023 (November 30, 2023: ₹42 crore), against ₹38 crore as on March 31, 2022. Decline in AUM from March 31, 2023, to November 30, 2023, was because of discontinued businesses of shorter tenure fintech advances, which eventually run down in the next six months when fintech loans are reconciled and repaid going forward. As on November 30, 2023, 8% of the portfolio consisted of (Gold Loan+ top-up loans for gold) and remaining 92% was into personal loans of unsecured nature. The company is still at a nascent stage in terms of the new business gold loans, due to which, operational track record for the new business is low. The company also carries a market risk for the gold jewellery that is pledged to refinance loans. Going forward, CARE Ratings expects the situation to continue until the new business stabilises.

Low capitalisation levels

APFL has a net worth of ₹5.02 crore as on March 31, 2023 against ₹4.94 crore as on March 31, 2022. The company's overall gearing increased to 5.58x as on March 31, 2023, against 2.04x as on March 31, 2022. The company would need to raise fresh equity capital continuously to support growth. However, the company has support from the Madiyar family in case of exigencies in capital requirement conditions.

Concentrated resource profile and high cost of funding

APFL's resource profile remains supported by inter-corporate deposits (ICDs) from fintech entities. As on January 18, 2024, 89% of total borrowings consist of ICDs, and remaining (11%) would be from term loans from banks. The company's ICDs carried a higher interest rate in the range of 16% to 20% per annum for an average tenure of 2-3 years. Average cost of funds stood at ~11% per annum from banks. Going forward, the company's ability to raise funds at competitive interest rates would remain critical for its growth prospects and profitability.

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

Key strengths

Profitable operations, which remain low

APFL reported profit after taxes (PAT) of ₹0.06 crore in FY23 on a total income of ₹4.20 crore against ₹0.01 crore on a total income of ₹3.54 crore in FY22. The company net income margin (NIM) decreased to 2.47% in FY23 against 10.53% in FY22 considering lower yield on advances generated due to the fintech business being closed. Operating expenses to average total assets decreased to 2.58% in FY23 against 4.87% in FY22 due to reorganisation done in the business, where certain costs such as messaging services, web services (cloud computing) were reduced due to complete closure of the fintech business. The company's credit cost also decreased from 5.18% in FY22 against 0.01% in FY23. APFL stopped fintech loans in FY22-23 accordingly loan assets have been reduced and provision on these assets decreased. With decrease in NIM nullified by decrease in opex and credit cost, the company reported return on total assets (ROTA) of 0.11% in FY23 against 0.05% in FY22. Going forward, CARE Ratings expects profitability to be low until the new business scales in the near term.

The company is promoted by Madiyar family with major shareholding of Swapnil Madiyar (82.81%) as on March 31, 2023, followed by Prashant Tandle (15.09%), who acts as the Managing Director and CEO. Prashant possesses 23 years of Mortgage experience and has worked with organisations including HDFC Limited, GE Money, Bajaj Finance Limited and Tata Capital Housing Finance Limited.

Applicable Criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Criteria on assigning Outlook or Rating watch to Credit Ratings](#)

[Policy on Default Recognition](#)

[Financial Ratios – Financial Sector](#)

[Methodology for Non-Banking Finance Companies \(NBFCs\)](#)

About the company

APFL is an NBFC registered with RBI as a non-deposit taking non-systemically important company. It got its registration certificate in 1998. Since January 2022, the company diversified in gold loans, which is its flagship product. AUM as on November 30, 2023, stood at ₹3 crore for gold loans. It has its registered office in Surat and one branch in Pune. The company is at a very nascent stage in its new business construct with vintage of two years.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	December 31, 2023 (UA)
Total Income	3.54	4.20	NA
PAT	0.01	0.06	NA
Total Assets	42.74	67.11	NA
Net NPA (%)	0.00	0.00	NA
ROTA (%)	0.05	0.11	NA

A: Audited

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
Fund-based - LT/ ST-Term loan		-	-	Various	25.00	CARE D / CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	Fund-based - LT/ ST-Term loan	LT/ST	25.00	CARE D / CARE D; ISSUER NOT COOPERATING*	1)CARE D / CARE D (10-Feb-25)	1)CARE B+; Stable / CARE A4 (26-Feb-24)	1)CARE B+; Stable / CARE A4 (23-Dec-22)	-

*Issuer did not cooperate; based on best available information.

LT/ST: Long term/Short 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	Fund-based - LT/ ST-Term loan	Simple

Annexure-5: Lender details

To view 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.

Contact us

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About us:

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