

December 12, 2024

Bhanix Finance and Investment Limited: Ratings withdrawn for long-term market linked debentures

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
LT-Market linked Debentures	100.0	0.0	PP-MLD [ICRA]BBB (Negative); withdrawn
Commercial paper	50.0	50.0	[ICRA]A3+; outstanding
Non-convertible debentures	435.0	435.0	[ICRA]BBB (Negative); outstanding
Long term fund based	400.0	400.0	[ICRA]BBB (Negative); outstanding
Total	985.0	885.0	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the Rs. Rs. 100.00 crore market linked debenture programme of Bhanix Finance and Investment Limited (BFIL) as there is no amount outstanding against the rated instrument and the withdrawal is in accordance with ICRA's policy on withdrawal of credit ratings.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	-
Consolidation/Standalone	Consolidation; To arrive at the ratings, ICRA has taken a consolidated view of the credit profiles of BFIL and its holding company, AFTPL, given their business linkages, common management and operational synergies.

About the company

Bhanix Finance and Investment Limited (BFIL) was incorporated in 1996 as a non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). Aeries Financial Technologies Private Limited (AFTPL) acquired a 100% stake in BFIL in 2017. TSLC Pte Ltd. (TSLC), a Singapore-based company, has a ~48% stake (fully diluted basis) in AFTPL as on October 31, 2024 while other investors and promoter-owned entities held the balance. TSLC Pte Ltd. (TSLC), a Singapore based company, operating in financial technology owns all the intellectual property developed for CASHe and has the worldwide rights outside of India to the application of its intellectual property for its lending tech platform.

Mr. Raman Kumar, group chairman is the founder & former chairman/CEO of MModal (listed on NASDAQ), Further the management of BFIL has considerable experience in the field of banking and financial services and technology platform development. AFTPL has a set of directors including Mr. Deepak Amitabh, who is an experienced senior bureaucrat, Ex-IRS officer. He is former CMD of PTC India Limited and an advisor to Adani Group.

BFIL provides short-term unsecured personal loans to salaried individuals through CASHe. BFIL focuses on near-prime (below 700 bureau score) borrowers not getting loans from banks. TSLC has licensed the CASHe mobile application to AFTPL for

perpetual and exclusive use in India. In turn, AFTPL has sublicensed the application to BFIL. The licence is irrevocable, exclusive, non-transferrable and perpetual in nature. As on September 30, 2024, BFIL's AUM stood at about Rs. 633 crore with long-tenure products (more than 270 days) accounting for 81% while relatively shorter-tenure products (less than 270 days) accounted for the balance (19%).

On a standalone basis, BFIL reported a net loss of Rs. 30 crore on a total income of Rs. 607 crore in FY2024 compared to a PAT of Rs. 8 crore on a total income of Rs. 527 crore in FY2023.

On a consolidated basis, AFTPL reported a net profit of Rs. 1 crore on a total income of Rs. 669 crore in FY2024 compared to a PAT of Rs. 26 crore on a total income of Rs. 578 crore in FY2023.

Key financial indicators

For the period/year ended	BFIL (standalone)			AFTPL (consolidated)		
	FY2023	FY2024	H1 FY2025	FY2022	FY2023	FY2024
	IndAS	IndAS	IndAS	IndAS	IndAS	IndAS
Accounting standard	Audited	Audited	Provisional	Audited	Audited	Audited
Total income*	517	588	141	257	567	649
Profit after tax	8	-30	9	31	26	1
Total managed assets	1,429	1,315	1,088	917	1,465	1,327
Return on assets	0.7%	-2.2%	1.6%	4.7%	2.2%	0.1%
Managed Gearing (times)	3.4	3.4	2.5	1.8	3.5	3.1
Gross stage 3%/Gross NPA	6.0%	12.4%	19%	8.7%	12.4%	6.0%
CRAR%	22.9%	30.2%	NA	NA	NA	NA

Source: Company, ICRA Research; Amount in Rs. crore; All figures and ratios as per ICRA's calculations; *excluding bad debts recovered and sale of portfolio to ARCs

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs Crore)	Current (FY2025)			Chronology of rating history for the past 3 years						
			FY2025		FY2025		FY2024		FY2023		FY2022	
			12-Dec-24	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Market linked debenture long term	Long Term	100.00	PP-MLD [ICRA] BBB (Negative); withdrawn	29-NOV-2024	PP-MLD [ICRA] BBB (Negative)	20-NOV-2023	PP-MLD [ICRA] BBB (Stable)	18-NOV-2022	PP-MLD [ICRA] BBB (Stable)	-	-	
Commercial paper	Short Term	50.00	[ICRA]A3+	29-NOV-2024	[ICRA]A3+	20-NOV-2023	[ICRA]A3+	18-NOV-2022	[ICRA]A3+	-	-	
Non-convertible debentures	Long Term	435.00	[ICRA]BBB (Negative)	29-NOV-2024	[ICRA]BBB (Negative)	20-NOV-2023	[ICRA]BBB (Stable)	25-OCT-2022	[ICRA]BBB (Stable)	-	-	
						-	-	18-NOV-2022	[ICRA]BBB (Stable)	-	-	
Long-term fund based	Long Term	400.00	[ICRA]BBB (Negative)	29-NOV-2024	[ICRA]BBB (Negative)	20-NOV-2023	[ICRA]BBB (Stable)	18-NOV-2022	[ICRA]BBB (Stable)	-	-	

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper	Very Simple
Long-term fund based	Simple
Market linked debenture long term	Complex
Non-convertible debentures	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/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE08X507293	Non-convertible debentures	14-Mar-2024	13.50%	16-Mar-2025	2.92	[ICRA]BBB (Negative)
INE08X507301	Non-convertible debentures	12-Apr-2024	13.50%	14-Apr-2025	3.53	[ICRA]BBB (Negative)
INE08X507327	Non-convertible debentures	28-Jun-2024	14.25%	01-Jul-2025	2.27	[ICRA]BBB (Negative)
INE08X507343	Non-convertible debentures	10-Jul-2024	10.75%	16-Jul-2025	10.00	[ICRA]BBB (Negative)
INE08X507335	Non-convertible debentures	10-Jul-2024	10.75%	15-Jul-2025	10.00	[ICRA]BBB (Negative)
INE08X507350	Non-convertible debentures	18-Jul-2024	15.00%	28-Jul-2025	2.50	[ICRA]BBB (Negative)
INE08X507376	Non-convertible debentures	03-Sep-2024	15.00%	06-Oct-2025	1.75	[ICRA]BBB (Negative)
INE08X507368	Non-convertible debentures	03-Sep-2024	15.00%	03-Oct-2025	0.75	[ICRA]BBB (Negative)
INE08X507384	Non-convertible debentures	30-Sep-2024	14.00%	30-Oct-2025	0.5	[ICRA]BBB (Negative)
INE08X507392	Non-convertible debentures	30-Sep-2024	15.00%	30-Mar-2026	1.65	[ICRA]BBB (Negative)
INE08X507400	Non-convertible debentures	24-Oct-2024	14.00%	24-Nov-2025	1.78	[ICRA]BBB (Negative)
INE08X507418	Non-convertible debentures	29-Oct-2024	11.00%	29-Nov-2025	4	[ICRA]BBB (Negative)
NA	Non-convertible debentures*	NA	NA	NA	393.35	[ICRA]BBB (Negative)
NA	Commercial paper*	NA	NA	NA	50.00	[ICRA]A3+
NA	Long-term fund based	NA	NA	NA	400.00	[ICRA]BBB (Negative)
NA	Market linked debenture long term*	NA	NA	NA	100.00	PP-MLD[ICRA]BBB (Negative); withdrawn

Source: Company; * Proposed/ yet to be placed

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

Annexure II: List of entities for considered for consolidated analysis

Company Name	Ownership	Consolidation
Aeries Financial Technologies Private Limited (AFTPL)	Holding company	Full consolidation
Bhanix Finance and Investment Limited (BFIL)	Rated entity (100% subsidiary of AFTPL)	Full consolidation
Sqrrl Fintech Pvt Ltd (SFPL)	Fellow subsidiary (100% subsidiary of AFTPL)	Full consolidation
Aeries Fintech Pvt Ltd (AFPT)	Fellow subsidiary (85.75% subsidiary of AFTPL)	Full consolidation

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About ICRA Limited:

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