



Press Release

Ahalia Finforex Limited

August 12, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	1.04 (Reduced from Rs.3.75 crore)	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook)	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook)	Rating reaffirmed	Simple
Long Term Facilities	45.86 (Reduced from Rs.76.40 crore)	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook) (Withdrawn)	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook)	Rating reaffirmed and simultaneously withdrawn	Simple
Total	46.90 (Rupees Forty-Six Crore and Ninety lakhs Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of Ahalia Finforex Limited (AFL) considering the adequate capitalization along with infusion of funds from the promoters, promoter group's (Ahalia Group) established presence in Kerala, comfortable financial indicators and adequate liquidity position.

The rating of the company is however constrained on account of its moderate asset quality, improving scale; albeit remain modest and geographically concentrated business operations, competitive nature of industry and regulatory risks and demographical risks inherent in the industry.

The bank facilities rated in the current rating exercise amounting to Rs.45.86 crore have been withdrawn based on No Objection Certificate received from its lenders. The request of the company for the withdrawal of ratings has also been received and the withdrawal is in line with Infomerics policy on withdrawal.

The 'Stable' outlook of the company reflects the increase in the scale of operations, albeit simultaneous marginal moderation of the asset quality.

Key Rating Sensitivities:



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Upward Factors

- Substantially scaling up its operations and diversifying its loan portfolio geographically while improving the asset quality indicators, profitability and/or maintaining a prudent capital structure

Downward Factors

- Any further deterioration in the asset quality/NPA levels, which can impact profitability or capital position.
- Any material regulatory breaches by the company, resulting to any disciplinary action, by the regulators, on the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Adequate capitalization along with infusion of funds from the promoters

The company's Capital Adequacy Ratio (%) remained adequate at ~41% as on March 31, 2025 (provisional) it has diversified its resource profile, which includes debt in the form of debentures/ICDs, unsecured subordinated bonds, term loans and working capital limits. Overall gearing stood moderate at 3.02x as on March 31st, 2025 and at 2.58x as on March 31, 2024. Further, the promoter has been resourceful as indicated by the infusion of debt (tier 2 debt) and equity in the past. In FY24 (A) (refers to the period from April 01 2023 to March 31, 2024) the company has raised equity share capital through partly paid right issue amounting to Rs.8.30 crore, which led to increase in the asset base of the company. The remaining amount of right issue (Rs.2 / share) has been called in FY25 (provi.) (refers to the period from April 01 2024 to March 31, 2025).

Promoter group's (Ahalia Group) established presence in Kerala

AFL is promoted by the Ahalia Group based out of Kerala. The company's operations are spread across 12 districts of Kerala through a network of 59 branches. The promoter, Mr. V.S. Gopalan, is a medical graduate having interest into various business avenues, which include educational institutes, foreign exchange and hospitals in India and UAE. Initially, AFL was incorporated as a money exchanger and on a later date started its full-fledged lending business after 2011. Presently, it has diversified its product range with various product portfolios, namely lending, foreign exchange, money transfer, travel, insurance broking and



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other allied services. The Group's reasonable presence in Kerala and common promoters and directors of AFL and Ahalia Group, creates certain visibility on the operational and financial front for AFL in the long term.

Comfortable financial indicators

Leveraging on the promoter's established presence in the financial services industry along with strong foothold in its key operating geographies, AFL has been able to increase its business operations. The company has reported AUM growth of around 29% to Rs.286.51 crore reported as on March 31, 2025 from Rs.223.58 crore reported as on March 31, 2024.

With the presence of secured product profile of the company, the ultimate default rates are expected to be low. The company adopts prudent lending practices as reflected by its average Loan to Value (LTV) ratio in the range of ~71-75% as on March 31, 2025. Further, its Net Interest Margins (NIMs) is expected to be ~16.04% in FY25 as compared to 16.45% in FY24. The overall net interest income has increased to Rs.40.92 crore in FY25 (FY24: Rs.31.78 Crore), depicting a growing trend. With the increase in total income and sustained expense proportion, PAT has increased marginally to Rs.8.48 crore in FY25 as compared to Rs.7.58 crore reported in FY24. With the company's current profitability level ROTA stands at 2.96% during FY25 (FY24 : 3.50%) and RONW of 11.60% during FY25 (FY24 : 12.98%).

Key Rating Weaknesses

Moderate asset quality

Due to the aggressive lending strategy followed, the company reported moderation in the asset profile with GNPA reported of 4.52% as on March 31, 2025 as compared to the GNPA of 3.92% as on March 31, 2024. Similar moderation is visible from the NNPA levels reported of 3.46% as on March 31, 2025 as compared to the NNPA of 2.76% as on March 31, 2024. The provision coverage ratio has reduced to 23.45% reported on March 31, 2025 as compared to 29.59% reported on March 31, 2024. However, some comfort can be derived from the loan book concentrated into secured loan portfolio especially the gold loans and the LAP loans. The increase in the portfolio while maintaining / improving the asset quality will remain a key rating monitorable.

Improving scale; albeit remain modest and geographically concentrated business operations



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The Company has been able to increase its scale of operations with the AUM of Rs.286.51 crore as March 31, 2025, from Rs.223.58 crore as at FY24 end. However, this portfolio continued to remain concentrated in the state of Kerala only leading to geographical concentration risk. It operates through a network of 59 branches in Kerala. AFL's performance is expected to remain exposed to competition. The key risk from a concentrated geographical mix is that the cash flows of the borrowers are dependent on the level of economic activity in the region, occurrence of events such as economic slowdown or any major natural calamity in the state, thereby impacting credit profile of its borrowers.

Competitive nature of industry

The company is exposed to stiff competition from other NBFCs and banks. The lending industry focused on gold and business loan is highly fragmented with unorganized lenders also vying for the same set of borrowers. However, company's professional management and focused approach towards gold and business loan lending and conservative underwriting policy standards is expected to grow its business while mitigating the risks.

Regulatory risks and demographical risks inherent in the industry

The NBFC sector continues to be impacted by the inherent risk involved, viz., socio-political intervention risk and regulatory risk and risks emanating from unsecured lending and marginal profile of borrowers who are vulnerable to economic downturns besides operational risks related to cash based transactions.

Analytical Approach: Standalone

Applicable Criteria:

[Rating methodology for Non-Banking Finance companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of ratings](#)

Liquidity – Adequate



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AFL overall liquidity remains adequate with no negative cumulative mismatches in the long term as per the ALM as on March 31, 2025. Apart from it, the company maintains sufficient cash and bank balances of about Rs.20.38 Crore as on March 31st, 2025. The working capital limits were utilized on an average at almost 90% for the last 12 months ended June 2025.

About the Company

The company was previously known as Ahalia Money Exchange and Financial Services Private Limited (AMEFSPL), whose constitution and name was changed to Ahalia Finforex Limited. The company was incorporated in the year 2001 with its head office located in Kerela and obtained its full-fledged money changer (FFMC) license in 2003 and eventually got its NBFC license from the RBI and started lending business under the company name since 2011. It is engaged in extending credit facilities in the form of Gold Loans, Loans against Property, Vehicle Loans and Personal Loans. With the lending business, it also operates its traditional money exchange division which offers a range of services including remittances, foreign currency purchases and sale with AD – 2 license availed in FY24, also providing PAN card related services, Visa and Passport services and Travel Card services.

Financials (Standalone):

(Rs. crore)

For the year ended* / As on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	47.84	63.08
PAT	7.58	8.48
Tangible Net worth	67.35	78.83
Asset Under management	223.58	286.51
Ratios		
NIM (%)	16.45	16.04
ROTA (%)	3.50	2.96
Interest Coverage (times)	1.65	1.52
Total CAR (%)	36.44%	41.44%
Gross NPA [Stage III] (%)	3.92%	4.52%
Net NPA [Stage III] (%)	2.76%	3.46%

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 17, 2024	August 08, 2023	August 10, 2022
1.	Term Loan	Long term	1.04	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable	-
2.	Term Loan	Long term	18.36	IVR BBB-/Stable (Withdrawn)	IVR BBB-/Stable	IVR BBB-/Stable	-
3.	Working Capital Demand Loan	Long term	6.00	IVR BBB-/Stable (Withdrawn)	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable
4.	Cash Credit	Long term	21.50	IVR BBB-/Stable (Withdrawn)	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable
5.	Proposed Term Loan / Cash Credit	Long term	0.00	Withdrawn	IVR BBB-/Stable	IVR BBB-/Stable	IVR BBB-/Stable
6.	NCDs	Long term	-	-	-	Withdrawn	IVR BBB-/Stable

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About Infomerics:

Infomerics Valuation And Rating Ltd. (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term loan	-	-	-	Jan 2026	1.04	IVR BBB-/ Stable
Term loan	-	-	-	Nov 2027	3.67	IVR BBB-/ Stable (Withdrawn)
Term loan	-	-	-	-	0.00	IVR BBB-/ Stable (Withdrawn)
Term loan	-	-	-	-	0.00	IVR BBB-/ Stable (Withdrawn)
Term loan	-	-	-	-	0.00	IVR BBB-/ Stable (Withdrawn)
Term loan	-	-	-	Nov 2025	0.69	IVR BBB-/ Stable (Withdrawn)
Term loan	-	-	-	April 2029	11.50	IVR BBB-/ Stable (Withdrawn)
Term loan	-	-	-	15 months from the date of disbursement	2.50	IVR BBB-/ Stable (Withdrawn)
Working Capital Demand Loan	-	-	-	-	6.00	IVR BBB-/ Stable (Withdrawn)
Cash Credit	-	-	-	-	21.50	IVR BBB-/ Stable (Withdrawn)
Proposed Term Loan / Cash Credit	-	-	-	-	0.00	Withdrawn



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Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ahalia-finforex-aug25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

