



Press Release
WEST END HOUSING FINANCE LIMITED
October 15, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE BB Stable Downgraded	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) to '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 100.00 Cr. bank facilities of West End Housing Finance Limited (WEHFL). The outlook is '**Stable**'.

Rationale for Rating.

The rating downgrade reflects a marked deterioration in financial performance and asset quality between FY2024 and FY2025. The company's profit after tax (PAT) declined sharply from Rs.2.84 crore in FY2024 to Rs.0.87 crore in FY2025, underscoring weakening profitability. This decline is primarily attributable to a significant increase in operating expenses and provisioning requirements, with write-offs and provisions rising from Rs.0.82 crore in FY2024 to Rs.1.92 crore in FY2025.

Asset quality indicators have also weakened considerably. Gross non-performing assets (GNPA) increased from 4.41% in FY2024 to 13.39% in FY2025, while net NPA rose from 3.76% to 11.25% over the same period. The proportion of sub-standard assets surged from Rs.3.62 crore to Rs.11.92 crore, indicating elevated stress in the loan portfolio.

Despite these challenges, the company continues to maintain a healthy capital position, with a Capital Adequacy Ratio (CAR) of approximately 92.03% as on March 31, 2025. However, the sharp decline in earnings and asset quality raises concerns regarding the company's ability to manage credit risk and sustain profitability.

Acuite will continue to monitor the company's ability to arrest further asset quality deterioration, improve earnings, and maintain operational efficiency.

About the company

Mumbai based, firm West End Housing Finance Limited was incorporated in 2015. The company is registered under National Housing Bank Act, 1987. It is engaged in the business of housing finance without accepting public deposits. The company has been providing loans to retail customers for purchase and construction of residential property and also against property and demand loans to individual and corporate borrowers. Mrs. Sheetal Raghuvversingh Manhas, Mr. Pankaj Kumar Gupta, Mr. Jagdish Capoor, Mr. Virendra Singh are directors of the entity.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of WEHFL to arrive at

the rating.

Key Rating Drivers

Strength

Comfortable Capitalisation Supported by Resourceful Promoters

West End Housing Finance Limited (WEHFL), incorporated in 2015, is engaged in providing housing and non-housing finance to customers primarily from the Middle and Low-Income Groups, including the Economically Weaker Sections (EWS). As on March 31, 2025, the company operates across three states in India.

WEHFL benefits from a strong and experienced leadership team. Mr. Arun Kanti Dasgupta, the Chief Executive Officer, brings extensive experience from his tenure as Managing Director of LIC of India and CEO of LIC Housing Finance Ltd. He has led several strategic initiatives in retail finance, IT infrastructure development, and customer-centric service delivery. Mr. Neeraj Verma, Head of Compliance, Legal & Company Secretary, is a qualified Company Secretary and law graduate with over 22 years of experience in legal and regulatory compliance, primarily in the BFSI sector. Mr. Sandesh Gaikwad, the Chief Financial Officer, holds an MBA in Finance and has 18 years of experience across eCommerce and agriculture domains.

The company's shareholding is concentrated among five group entities—Nirav Investments Private Limited (24%), Filter Media Private Limited (24%), West End Software Solutions LLP (25%), Invent Business Turnaround Strategist LLP (24.76%), and Invent Operations & Management LLP (2%)—collectively holding 99.76% of the equity share capital. The promoters have demonstrated their commitment through past capital infusions and are expected to continue supporting the company's growth plans as needed.

WEHFL maintains a robust capital structure, with a Capital Adequacy Ratio (CAR) of 92.03% as on March 31, 2025, reflecting its ability to absorb potential credit shocks and support future business expansion.

Loan Portfolio and AUM Growth

As on March 31, 2025, the company's loan portfolio stood at Rs.83.80 crore, marginally up from Rs.82.09 crore as on March 31, 2024. Of the total portfolio, approximately 38.37% pertains to the housing finance segment, with the remainder comprising non-housing loans. The borrower base is predominantly salaried individuals, supplemented by self-employed customers.

Weakness

Geographic Concentration Risk

WEHFL remains significantly exposed to geographic concentration risk, which could adversely impact its asset quality and financial performance. As on March 31, 2025, approximately 94.45% of the company's loan portfolio is concentrated in Maharashtra, followed by Gujarat (4.92%) and Odisha (0.63%). This high dependence on a single state increases vulnerability to region-specific economic, political, or environmental disruptions. Given the concentrated exposure, slippages from even a few large accounts within Maharashtra could materially affect the company's asset quality and profitability metrics. Diversification across geographies will be critical for mitigating concentration risk and enhancing portfolio resilience.

Weakening Financial Performance and Asset Quality Deterioration

The company's financial profile has weakened, as evidenced by a sharp decline in profitability and deterioration in asset quality. Profit after tax (PAT) fell significantly from Rs.2.84 crore in FY2024 to Rs.0.87 crore in FY2025, primarily due to increased operating expenses and higher provisioning requirements. Asset quality metrics have also worsened, with Gross NPA rising from 4.41% as on FY24 to 13.39% in FY25 and Net NPA increasing from 3.76% to 11.25% over the same period. The surge in sub-standard assets—from Rs.3.62 crore to Rs.11.92 crore—reflects growing stress in the loan portfolio. These trends raise concerns over the company's ability to manage credit risk effectively and sustain profitability in the near to medium term.

Rating Sensitivity

- Continued promoter support
- Growth in scale of operations
- Profitability and asset quality
- Maintaining granularity in the portfolio

Liquidity Position
Adequate

Given that the company's operations are equity funded, the liquidity position is adequate and there are no cumulative negative ALM mismatches as on March 31, 2025. Additionally, company's cash and cash equivalents stood at Rs.0.81 Cr. as on March 31, 2025.

Outlook:

Stable.

Other Factors affecting Rating

None.

Key Financials - Standalone / Originator

Particulars	Unit	FY25(Actual)	FY24(Actual)
Total Assets	Rs. Cr.	117.17	112.68
Total Income*	Rs. Cr.	9.37	9.43
PAT	Rs. Cr.	0.87	2.84
Net Worth	Rs. Cr.	111.06	110.18
Return on Average Assets (RoAA)	(%)	0.76	2.55
Return on Average Net Worth (RoNW)	(%)	0.79	2.61
Debt/Equity	Times	0.00	0.00
Gross NPA	(%)	13.39	4.41
Net NPA	(%)	11.25	3.76

**Total income equals to Net Interest Income plus other income*

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Any other information

None.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Jul 2024	Proposed Long Term Bank Facility	Long Term	100.00	ACUITE BB+ Stable (Assigned)
15 Jul 2022	Proposed Long Term Bank Facility	Long Term	100.00	ACUITE BB+ (Downgraded & Withdrawn & Issuer not co-operating* from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	100.00	Simple	ACUITE BB Stable Downgraded (from ACUITE BB+)

Contacts

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About Acuité Ratings & Research

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