

October 05, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan (Proposed)	20.00	SMERA B+/Stable (Assigned)

SMERA has assigned rating of '**SMERA B+**' (read as **SMERA B plus**) to the above mentioned bank facility of Maximal Finance and Investments Limited (MFIL). The outlook is '**Stable**'. The rating is constrained by the company's small scale of operations and limited geographical diversification. The rating also notes the company's debt funded expansion and its likely impact on the capital structure. However, the rating draws support from the promoter's extensive experience and high capital adequacy and moderate asset quality.

Rating Sensitivity Factors

- Size of operations
- Capital structure
- Geographical diversification
- Asset quality

Outlook: Stable

SMERA believes the outlook for MFIL will remain 'Stable' over the medium term backed by the extensive management experience and moderate asset quality. The outlook may be revised to 'Positive' in case the company achieves sustained growth in the asset book while improving asset quality and returns. Conversely, the outlook may be revised to 'Negative' in case of expansion in operations leading to deterioration in the company's asset quality or profitability.

About the Company

MFIL, incorporated in 1996, is a Hyderabad-based non-deposit taking non-banking financial company (NBFC) promoted by Ms. R. Nandini, Mr. R. Vignesh and Mr. K. Ramadoss. The company commenced commercial operations in 2010 to offer gold and retail loans. MFIL operates in through three branches in Hyderabad, Telangana.

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