

Press Release

Dhara Motor Finance Limited

April 07, 2020



Rating Update

| | |
|------------------------------------|---|
| Total Bank Facilities Rated | Rs. 60.00 Cr. # |
| Long Term Rating | ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 60.00 crore bank facilities of Dhara Motor Finance Limited (DMFL).

The rating downgrade is on account of information risk and indicative based on best available information.

Incorporated in 1990, Dhara Motor Finance Limited is an Uttar Pradesh based NBFC company registered under RBI. In 2002, the company was converted into a Public Limited Company. The company was promoted by Mr. Raj Kumar Goel and others which was subsequently taken over by Mr. Gajendra Singh and family. The company is engaged in finance of old and new commercial vehicles. DMFL is registered with RBI as a NBFC and classified as Asset Finance Company (AFC) under 'A' category. The company is operating mainly in western Uttar Pradesh, Uttarakhand, Delhi & NCR, Haryana and Rajasthan.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Non-Banking Financing Entities - <https://www.acuite.in/view-rating-criteria-10.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|-----------|------------------|---------------------------------|
| 30-Jan-2019 | Cash Credit | Long Term | 40.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Proposed Facility | Long Term | 20.00 | ACUITE BBB-/Stable (Reaffirmed) |
| 02-Jan-2019 | Cash Credit | Long Term | 40.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Proposed Cash Credit | Long Term | 20.00 | ACUITE BBB-/Stable (Reaffirmed) |
| 04-Oct-2018 | Cash Credit | Long Term | 40.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Proposed Cash Credit | Long Term | 20.00 | ACUITE BBB-/Stable (Assigned) |
| 22-Mar-2018 | Cash Credit | Long Term | 25.00 | ACUITE BBB-/Stable (Reaffirmed) |
| | Proposed Cash Credit | Long Term | 15.00 | ACUITE BBB-/Stable (Assigned) |
| 22-Jan-2018 | Cash Credit | Long Term | 25.00 | ACUITE BBB-/Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 40.00 | ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating* |
| Proposed Facility | Not Applicable | Not Applicable | Not Applicable | 20.00 | ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating* |

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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