

Press Release

Dhara Motor Finance Limited

September 21, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB-' (read as ACUITE double B minus)** from '**ACUITE BB' (read as ACUITE double B)** on the Rs. 60.00 crore bank facilities of Dhara Motor Finance Limited (DMFL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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:

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jul 2021	Cash Credit	Long Term	40.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	20.00	ACUITE BB (Downgraded and Issuer not co-operating*)
07 Apr 2020	Cash Credit	Long Term	40.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	20.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
30 Jan 2019	Proposed Long Term Loan	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	40.00	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	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Reaffirmed)

2018	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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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