



Press Release
Mahaveer Finance India Limited
March 29, 2024
Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	13.00	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs. 13.00 Crore bank Facilities of Mahaveer Finance India Limited without assigning any rating as Instrument is fully repaid and no longer an outstanding obligation of the company.

The rating is being withdrawn on account of the request received from the company and the NDC received from the banker's as per Acuite's policy on withdrawal of ratings as applicable to the respective facility / instrument.

About the company

Chennai based, Mahaveer Finance India Limited (MFIL) was incorporated in 1981. MFIL was registered with Reserve Bank of India (RBI) as a deposit taking Non-Banking Finance Company. In 2015, MFIL surrendered its deposit-taking license and also delisted itself from Madras Stock Exchange. MFIL, currently a Non-deposit taking NBFC-asset finance company, is engaged in used commercial vehicle financing in rural and semi-urban areas. The company is promoted by Mr. Mahaveerchand Dugar (Managing Director) and his sons, Mr. Deepak Dugar (Joint Managing Director) and Mr. Praveen Dugar (Executive Director). MFIL operates in 4 states and 1 union territory, namely Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry with 53 branches in 47 districts as on September 30, 2022.

MFIL's AUM as on September 30, 2022 stood at Rs. 479.47 Cr. (Rs. 411.30 Cr. as on March 31, 2022, Rs. 322.92 Cr. as March 31, 2021 and Rs. 278.06 Cr. as on March 31, 2020). The AUM comprised of owned portfolio of Rs. 395 Cr. (82 percent of AUM) and off-book exposure of Rs. 84 Cr. (18 percent of AUM) as on September 30, 2022. The company takes off-book exposure through Direct Assignment and Pass Through Certificates.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strength

Not Applicable

Weakness

Not Applicable

Rating Sensitivity
Not Applicable

Liquidity Position

Not Applicable

Outlook:

Not Applicable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Total Assets	Rs. Cr.	583.42	479.19
Total Income*	Rs. Cr.	49.08	40.29
PAT	Rs. Cr.	14.68	10.49
Net Worth	Rs. Cr.	106.9	92.28
Return on Average Assets (RoAA)	(%)	2.76	2.45
Return on Average Net Worth (RoNW)	(%)	14.74	12.05
Debt/Equity	Times	4.23	4.07
Gross NPA	(%)	4.5	4.17
Net NPA	(%)	3.58	3.31

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>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.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, Acuite 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
21 Feb 2024	Term Loan	Long Term	13.00	ACUITE BB+ Not Applicable (Downgraded & Issuer not co-operating*)
23 Nov 2022	Term Loan	Long Term	13.00	ACUITE BBB+ (CE) Stable (Reaffirmed)
25 Aug 2021	Term Loan	Long Term	13.00	ACUITE BBB+ (CE) Stable (Assigned)
25 May 2021	Proposed Long Term Bank Facility	Long Term	13.00	ACUITE Provisional BBB+ (CE) Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	31 Mar 2021	Not avl. / Not appl.	31 Mar 2024	Simple	13.00	Not Applicable Withdrawn

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Ramesh Metri Associate-Rating Operations Tel: 022-49294065 ramesh.metri@acuite.in	

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.