



**Press Release**  
**Sai Point Finance Corporation Limited**  
**August 26, 2024**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	150.00	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	150.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating to **'ACUITE BBB-'** (read as **ACUITE triple B minus**) on the Rs.150.00 Cr. bank facilities of Sai Point Finance Corporation Limited (SPFC). The outlook has been revised from **'Stable'** to **'Negative'**.

**Rationale for rating**

The revision in outlook takes into account the decline in the Net interest income and the AUM levels in FY2024. The rating continues to factor experience of the management and resourceful promoters, the rating also factors in the healthy capitalization levels marked by Capital Adequacy Ratio (CAR) which stood at 37.89 percent as on March 31, 2024 (32.11 percent as on March 31, 2023). SPFC has a net worth of Rs. 63.89 Cr. as on March 31, 2024 (Rs. 62.08 crore as of March 31, 2023). The rating is, however, constrained due to the modest scale of operations and geographic concentration of portfolio. SPFC's loan portfolio marginally declined to Rs. 179.82 crore as on March 31, 2024 from Rs. 195.79 crore as of March 31, 2023. The disbursement levels during FY2024 also saw a decrease from Rs. 68.47 Cr. in FY2023 to Rs. 48.10 Cr. Going forward, the ability of the company to scale up its loan book, while maintaining asset quality and operating metrics will be key to monitoring. Going forward, the ability of the company to scale up its loan book, while maintaining asset quality and operating metrics will be key monitorables.

**About the company**

Thane (Maharashtra)-based Sai Point Finance Corporation Limited was incorporated in 1995 as non-deposit taking NBFC. The company commenced operations in 2014 under the current management of Sai Point Group (SPG). The company is engaged in financing of two wheelers through a network of 46 branches across 5 regions of Maharashtra, namely Mumbai, Pune, Vidharbha, Nashik, Ratnagiri and Goa as on March 31, 2024. SPFC is promoted by Mr. Dilip

Patil (Managing Director). SPG consists of Sai Point Automobiles Private Limited, Sai Point Cars Private Limited and Sai Point NEXA. Sai Point Automobiles Private Limited is engaged in Honda two wheeler dealership business. Sai Point Cars Private Limited and Sai Point NEXA are engaged in Maruti Suzuki four wheeler dealership business.

### **Analytical Approach**

Acuité has considered the standalone financial and business risk profile of SPFC to arrive at the rating.

### **Key Rating Drivers**

#### **Strength**

**Experienced promoter supported by the established presence of Sai Point Group in the two wheeler dealership segment**

Sai Point Group forayed into the auto dealership industry in 2001 with Sai Point Automobiles

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Private Limited (SPAPL), which is engaged in Honda two wheeler dealership business. Later in 2010, the group commenced four wheeler dealerships of Maruti Suzuki and Nexa by setting up Sai Point Cars Private Limited and Sai Point Nexa, respectively. Subsequently, SPFC was started in 2014 as two wheeler financing to customers sourced through their Honda two Press Release SAI POINT FINANCE CORPORATION LIMITED Rating Reaffirmed wheeler dealership company. All the entities are overseen by Mr. Dilip Patil (Managing Director). The group enjoys two decades of experienced promoters and an operational track record of entities in the auto dealership segment, which in turn has supported the business growth of SPFC. SPFC operates in Maharashtra with a network of 46 branches as on March 31, 2024. Around 35 percent of SPFC's portfolio is attributed to Sai Point Group's Honda two wheeler dealership business carried out under SPAPL, with the remaining 65 percent coming from financing for other dealers. The SPFC mainly finances Honda two-wheelers, which account for 60~65 percent of the portfolio financed, followed by 20 percent of Bajaj two-wheelers and 10-15 percent of TVS scooters and other brands. SPFC's capitalization levels stood healthy at 38.75 percent as on September 30, 2021, as against 30.71 percent as of March 31, 2021. The promoters infused Rs. 5 crore in H1 FY2022. This ensures adequate room is available for the future growth of the company. Acuité believes that SPFC's business profile will continue to benefit from the established presence of Sai Point Group in the two-wheeler dealership industry, backed by experienced promoters and healthy capitalization levels.

## Weakness

### Moderate Profitability

Return on Average Assets (RoAA) stood low at 0.95 percent as of March 31, 2024. The return on capital employed (RoCE) has been in the range of 0.9% to 1.2% for last three years. The Net interest income reported a decline at 29.64 Cr. In FY24 as compared with 35.61 Cr. in FY23.

### Rating Sensitivity

- Movement in collection efficiency and asset quality.
- Movement in liquidity buffers.
- Movement in profitability parameters.
- Changes in regulatory environment.

## Liquidity Position

### Adequate

SPFC's overall liquidity profile remains adequate as on March 31, 2024, with no cumulative negative mismatches in near to medium term. The company has maintained cash and bank balances of Rs. 3.52 Cr. as on March 31, 2024.

## Outlook: Negative

Acuité believes that the outlook of the company would remain 'Negative' on account of decline in the Net interest income and the AUM levels in FY2024. The outlook may be revised to 'Stable' in case of growth in AUM and improvement in the earning profile.

## Other Factors affecting Rating

None

## Key Financials - Standalone / Originator

Particulars	Unit	FY24 (Actual)	FY23(Actual)
Total Assets	Rs. Cr.	183.46	196.43
Total Income*	Rs. Cr.	13.87	18.80
PAT	Rs. Cr.	1.81	1.71

Net Worth	Rs. Cr.	63.89	62.08
Return on Average Assets (RoAA)	(%)	0.95	0.88
Return on Average Net Worth (RoNW)	(%)	2.87	2.79
Debt/Equity	Times	1.79	2.06
Gross NPA (Owned portfolio)	(%)	1.70	3.37
Net NPA (Owned portfolio)	(%)	1.51	2.96

*\*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, 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 May 2023	Proposed Long Term Bank Facility	Long Term	40.00	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	44.09	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	0.48	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	9.81	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	4.93	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	7.69	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.43	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	63.57	ACUITE BBB-   Stable (Reaffirmed)
28 Feb 2022	Term Loan	Long Term	100.00	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	40.00	ACUITE BBB-   Stable (Assigned)
	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE Provisional A- (Reaffirmed & Withdrawn)
05 Feb 2021	Cash Credit	Long Term	50.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	100.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	25.00	ACUITE Provisional A-   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
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
IDFC First Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	39.56	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Union Bank of India	Not avl. / Not appl.	Term Loan	09 Sep 2023	Not avl. / Not appl.	25 Sep 2027	Simple	21.64	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	21 Feb 2024	Not avl. / Not appl.	20 Sep 2025	Simple	4.44	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Cholamandalam Investment Finance Company Ltd.	Not avl. / Not appl.	Term Loan	01 Nov 2023	Not avl. / Not appl.	02 Nov 2025	Simple	2.33	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
IKF Finance Ltd.	Not avl. / Not	Term Loan	30 Mar 2022	Not avl. / Not appl.	03 Apr 2025	Simple	1.53	ACUITE BBB-   Negative   Reaffirmed

	appl.							Stable to Negative
IKF Finance Ltd.	Not avl. / Not appl.	Term Loan	31 Jan 2023	Not avl. / Not appl.	03 Feb 2026	Simple	2.92	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
IKF Finance Ltd.	Not avl. / Not appl.	Term Loan	20 Feb 2024	Not avl. / Not appl.	03 Mar 2027	Simple	4.72	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Shine Star Build Cap Private Ltd.	Not avl. / Not appl.	Term Loan	29 Aug 2023	Not avl. / Not appl.	29 Aug 2024	Simple	0.40	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Shine Star Build Cap Private Ltd.	Not avl. / Not appl.	Term Loan	23 May 2024	Not avl. / Not appl.	23 May 2025	Simple	5.00	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Electronica Finance Ltd.	Not avl. / Not appl.	Term Loan	01 Oct 2022	Not avl. / Not appl.	10 Nov 2024	Simple	0.80	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
IDFC First Bank Limited	Not avl. / Not appl.	Term Loan	08 Oct 2021	Not avl. / Not appl.	08 Oct 2024	Simple	0.90	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
State Bank of India	Not avl. / Not appl.	Term Loan	01 Sep 2022	Not avl. / Not appl.	01 Oct 2026	Simple	31.59	ACUITE BBB-   Negative   Reaffirmed   Stable

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State Bank of India	Not avl. / Not appl.	Term Loan	01 Sep 2022	Not avl. / Not appl.	01 Sep 2027	Simple	7.76	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
State Bank of India	Not avl. / Not appl.	Term Loan	01 Sep 2022	Not avl. / Not appl.	01 Sep 2027	Simple	3.94	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
State Bank of India	Not avl. / Not appl.	Term Loan	01 Sep 2022	Not avl. / Not appl.	01 Sep 2027	Simple	3.97	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative
Union Bank of India	Not avl. / Not appl.	Term Loan	09 Dec 2021	Not avl. / Not appl.	09 Dec 2026	Simple	7.50	ACUITE BBB-   Negative   Reaffirmed   Stable to Negative



## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Tejas Chaugule Associate Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:tejas.chaugule@acuite.in">tejas.chaugule@acuite.in</a>	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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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