



Press Release
Setia Auto Finance Private Limited
December 19, 2024
Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|--|-------------------|
| Bank Loan Ratings | 25.00 | ACUITE BB- Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 25.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

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

Rating Rationale

Acuite has downgraded a long-term rating to '**ACUITE BB-' (read as ACUITE double B minus)** from '**ACUITE BB' (read as ACUITE double B)**' on the Rs.25.00 Cr. bank facilities of Setia Auto Finance Private Limited (SAFPL). The rating is now flagged as "Issuer Not-Cooperating" and is based on the best available information. The downgrade is on account of information risk.

About the Company

Incorporated in 1996, Setia Auto Finance Private Limited (SAFPL) is a Rajasthan based Non Deposit taking Non-Banking Financial Company (ND-NBFC) promoted and managed by Mr. Ravi Kumar Setia and family. The company is engaged in used vehicles financing namely utility vehicles, commercial vehicles and tractors and Loans Against Property (LAP). Company operates through a network of 19 branches in Rajasthan as on June 30, 2023.

Unsupported Rating

Not Applicable

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 non-cooperation 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 endeavoured 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook:Not Applicable

Other Factors affecting Rating

None

Key Financials:

| Particulars | Unit | FY23 (Actual) | FY22 (Actual) |
|---|---------|---------------|---------------|
| Total Assets | Rs. Cr. | 60.19 | 44.25 |
| Total Income* | Rs. Cr. | 8.18 | 6.94 |
| PAT | Rs. Cr. | 0.91 | 0.86 |
| Net Worth | Rs. Cr. | 18.45 | 17.04 |
| Return on Average Assets (RoAA) | (%) | 1.75 | 1.72 |
| Return on Average Net Worth (RoNW) | (%) | 5.15 | 5.24 |
| Total Debt/Tangible Net worth (Gearing) | Times | 2.07 | 1.52 |
| Gross NPA | (%) | 1.50 | 2.24 |
| Net NPA | (%) | 1.13 | 1.59 |

*Total income equals to Net Interest Income

Status of non-cooperation with previous CRA

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, Acuité 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 | |
|-------------|----------------------------------|-----------|-----------------|----------------|---------------------|
| 27 Sep 2023 | Term Loan | Long Term | 1.87 | ACUITE BB | Stable (Reaffirmed) |
| | Cash Credit | Long Term | 10.00 | ACUITE BB | Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE BB | Stable (Reaffirmed) |
| | Term Loan | Long Term | 5.00 | ACUITE BB | Stable (Reaffirmed) |
| | Term Loan | Long Term | 3.13 | ACUITE BB | Stable (Reaffirmed) |
| 29 Jun 2022 | Proposed Long Term Loan | Long Term | 23.13 | ACUITE BB | Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.87 | ACUITE BB | Stable (Reaffirmed) |
| 05 Apr 2021 | Proposed Long Term Bank Facility | Long Term | 25.00 | ACUITE BB | Stable (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|-------------------------|----------------------|-------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| HDFC Bank Ltd | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 10.00 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| A U Small Finance Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 5.00 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| UCO Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 5.00 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Indian Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 3.13 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| IDFC First Bank Limited | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 1.87 | Simple | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |

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

Contacts

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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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