

Northern Arc Capital Limited

April 17, 2019

Summary of Rated Instrument

Trust Name	Instrument*	Initial Amount (Rs. crore ¹)	Amount o/s after last surveillance (Rs. crore)	Amount O/s after Feb-19 Payout (Rs. crore)	Rating action
IFMR Capital Mosec Harv 2017	PTC Series A1	8.17	0.26	0.00	[ICRA]AA-(SO) Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for PTCs Series A1 issued under one vehicle loan securitization transaction originated by Multiple Originators, arranged by Northern Arc Capital Limited (erstwhile IFMR Capital Finance Limited), as tabulated above.

All the payouts to the investors in the above mentioned instruments have been made and no further payment are due to the investors.

Key rating drivers

Credit Strengths

- N.A.

Credit Challenges

- N.A.

Description of key rating drivers highlighted above

N.A.

Liquidity Position

N.A.

Past rated pool performance: ICRA has rated 3 multi-originator pools (including IFMR Capital Mosec Harv 2017) backed by commercial vehicle loan receivables. ICRA has also rated a standalone pool originated by Witfin (Sanchez CV Northern Arc Capital 2018). The performance of the pools has been moderate to good with cumulative collection efficiency greater than 92% and low levels of delinquencies till March 2019 payout.

Key rating assumptions

N.A.

¹ 100 lakh = 1 crore = 10 million

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company

Western India Transport Finance Company Limited (Witfin)

Western India Transport Finance Company Limited (Witfin) is a NBFC incorporated in April 2006 and was granted RBI registration as NBFC in August 2011. The company is promoted by Mr. Nikhil Swadi. The Swadi family is into transportation business since more than 40 years. The company lends majorly to the 'used commercial vehicle' segment which constituted around 83% of the total outstanding portfolio as on March 31, 2018. The major focus of the company is towards lending of light commercial vehicle (LCV) and Medium/Heavy Commercial Vehicle (MHCV) forming around 62% of outstanding portfolio as on March 31, 2018 while the rest being three wheeler loading vehicles and passenger cars. The company has presence in Gujarat, Maharashtra, Punjab and Rajasthan. As on December 30, 2018, company's AUM stood at Rs. 156.97 crore.

Key financial indicators (audited)

	FY 2016	FY 2017	FY 2018
Total Income (Rs. Crore)	5.01	6.86	11.61
Profit after Tax (Rs. Crore)	1.24	1.36	1.51
Net Worth (Rs. Crore)	18.90	24.51	26.02
Total Managed Assets (Rs. Crore)	54.26	96.12	165.93
Gearing (times)	1.81	2.64	4.70
Gross NPA (%)	0.84%	1.69%	1.95%
Net NPA (%)	0.61%	1.37%	1.24%
Capital Adequacy Ratio (%)	34.94%	31.09%	18.96%

Amounts in Rs. Crore;

Source: Witfin and ICRA research

Mahaveer Finance India Limited (Mahaveer)

Mahaveer Finance India Limited (MFIL) is a Non-Banking Finance Company engaged in financing of used commercial / passenger Vehicles in Tamil Nadu, Andhra Pradesh, Telangana & Pondicherry. The company was incorporated in January 1981 and was acquired by the present promoters in 1987. The company was initially "A" category Deposit taking NBFC and in the year 2015 the company had surrendered its deposit taking license. The company also in 2015 had taken the SEBI offer of de-listing as the Madras Stock Exchange went under dissemination board. The Company over the years has built a strong network of over 35,000 small road transport operators, dealers, agents, and individuals. MFIL is managed by Mr. Mahaveerchand Dugar as the managing director and his 2 son's Mr. Deepak Dugar, Joint Managing director and Mr. Praveen Dugar, Executive Director. Together they have a consolidated industry experience of 90 years. The company in the last 5 years has been aggressively building a completely professional team and has been growing at a YoY of 80% P.A., As on December 2018 the company has an AUM of Rs.196.02 Cr through its 53 branches in Tamil Nadu, Andhra Pradesh, Telangana and Pondicherry.

Key financial indicators (audited)

	FY2018	9M FY2019 ²
Total Income (Rs. Crore)	22.4	29.0
Profit after tax (Rs. Crore)	4.8	6.1
Net worth (Rs. Crore)	19.4	48.6
Total Managed Assets (Rs. Crore)	139.0	202.6
Return on managed Assets %	3.4%	4.7%
Return on Net worth %	24.6%	23.7%
Gearing	6.0	3.1

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Table:

S. No	Instrument	Current Rating (FY2020) Type	Current Rating (FY2020)			Chronology of Rating History for the past 3 years				
			Initial Rated Amount (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2018		Date & Rating in FY2017	
					Apr-19	Dec-18	Mar-18	Jul-17 [§]	Mar-17*	
1	IFMR Capital Mosec Harv 2017	PTC Series A1	8.17	0.00	[ICRA]AA-(SO) Withdrawn	[ICRA]AA-(SO)	[ICRA]A-(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	

* Initial Rating assigned

§ Rating converted from Provisional to Final

Complexity level of the rated instrument: Highly Complex

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

² Provisional

Annexure I

Details of Instruments

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate (p.a.)	Scheduled Maturity Date	Rated Amount (Rs. crore ³)	Current Rating
1	IFMR Capital Mosec Harv 2017	PTC Series A1	Mar-17	12.25%	May 2020	Nil	[ICRA]AA-(SO) Withdrawn

³ 100 lakh = 1 crore = 10 million

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About ICRA Limited:

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