Crisil Ratings

Rating Rationale

June 23, 2026 | Mumbai

Mahaveer Finance India Limited

'Crisil BBB+/Stable' assigned to Subordinated Debt

Rating Action

Total Bank Loan Facilities Rated	**Rs.220 Crore**
Long Term Rating	**Crisil BBB+/Stable (Reaffirmed)**

Rs.60 Crore Subordinated Debt	**Crisil BBB+/Stable (Assigned)**
Rs.30 Crore Subordinated Debt	**Crisil BBB+/Stable (Reaffirmed)**
Rs.16.6 Crore Non Convertible Debentures	**Crisil BBB+/Stable (Reaffirmed)**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has assigned its **'Crisil BBB+/Stable'** rating to Rs 60 crore subordinated debt of Mahaveer Finance India Limited (MFIL). Crisil Ratings has also reaffirmed its 'Crisil BBB+/Stable' rating on the long-term bank facilities and debt instruments of MFIL.

The rating continues to reflect steady growth in scale of operations and maintenance of adequate capitalisation. The rating also factors in the adequate earnings and diversified resource profile of the company. These strengths are partially offset by average asset quality and geographical concentration in the revenue profile.

MFIL reported growth in its assets under management (AUM) to Rs 1,324 crore as on March 31, 2026, from Rs 1,007 crore as on March 31, 2025. The growth in AUM was supported by adequate capital position, as reflected in networth of Rs 419 crore and gearing of 2.2 times (including securitisation) as on March 31, 2026. The company will maintain its on-book gearing below 5 times over medium term.

As far as asset quality is concerned, 90+ days past due (dpd) remained average at 3.1% as on March 31, 2026, compared with 3.3% as on March 31, 2025 (2.7% as on March 31, 2024). The company has been able to maintain portfolio quality because of an adequate risk management system and long track record of operations in existing geographies.

On account of steady growth in portfolio and controlled credit costs, MFIL's earnings profile also remained adequate with average return on assets (RoMA) at 2.1% in fiscal 2026 (for prior 3 years it has remained in range of 2.0-2.3%).

In order to expand its portfolio and regional presence, MFIL on June 18, 2026, announced acquisition in the form of a slump sale through business transfer agreement with RBSG Capital Pvt Ltd (RBSG Capital). This RBSG capital has been operating as vehicle finance segment with Maharashtra and Gujarat region and had portfolio size of Rs 284.89 crore as on March 31, 2026 of which 50% consists of cars, passenger vehicles, and taxis, while the remaining towards LCVs and SCVs. As part of the acquisition, MFIL would be paying total consideration of Rs 247.77 crore. MFIL has also taken over branches and substantial part of RBSG's employee base. This acquisition is expected to benefit MFIL in terms of expanding its area of operations. Nevertheless, given this portfolio being newly acquired, MFIL's ability to maintain on collections similar to its self-originated portfolio will remain will a key monitorable.

Analytical Approach

Crisil Ratings has considered the standalone business and financial risk profiles of MFIL.

Key Rating Drivers - Strengths

Extensive experience of the promoters

The promoters have experience of four decades, leading to in-depth understanding of borrower behaviour and maintenance of comfortable asset quality, which will continue to support the business. The promoters have expanded in south India in Tamil Nadu, Andhra Pradesh, Telangana, Puducherry and Karnataka. The chairman, Mahaveerchand Dugar, has extensive experience in the vehicle financing business and has conducted training sessions for other financiers. His sons, M Deepak Dugar and M Praveen Dugar, have been involved in daily operations for over 20 years.

Adequate capitalisation metrics

The capitalisation continues to be adequate, as reflected in networth and gearing of Rs 419 crore and 2.2 times, respectively, as on March 31, 2026 (Rs 219 crore and 3.5 times as on March 31, 2025). The company has raised capital in the form of equity and compulsorily convertible preference shares (CCPS) of Rs 173.5 crore in fiscal 2026. The management's stance is to keep gearing below 5 times, considering growth in the loan book, over the medium term.

Moderate earnings profile

The company has had a track record of profitability since inception. Return on managed assets (RoMA) was stable at 2% over the last three fiscals. The company has a track record of negligible losses on repossessed assets. In fiscal 2026, RoMA improved to 2.1% on account of lower credit cost and will remain adequate over the medium term for its scale of operations.

Diversified resource profile
The resource profile was diversified with funding from banks, non-banking finance companies (NBFCs) and financial institutions. The company has raised Rs 763 crore in the fiscal 2026, out of which Rs 205 crore was raised in the third quarter of fiscal 2026. Furthermore, it has sanctions for Rs 215 crore in the pipeline from banks, small finance banks (SFBs) and NBFCs. The company will sustain its strong and diversified resource base.

Key Rating Drivers - Weaknesses
Average asset quality
MFIL faced asset quality challenges in previous period which resulted in delinquencies increasing to ~7% during fiscals 2021 to 2022. However, on account of adequate risk management practices and increased focus on recovery, the company was able to improve its 90+ dpd and it has remained in range of 3-4% during fiscal 2023 to fiscal 2026. As on March 31, 2026, the 90+ dpd stood at at 3.1% as on March 31, 2026. Furthermore, the acquired portfolio from RBSG Capital aggregated to ~Rs 285 crore in fiscal 2026, with PAR 90+ at 6.1% post write-offs. The company was able to maintain collection efficiency, inclusive of overdue collection in fiscal 2026, at 98%. Over the medium term, the ability of the company to improve and control its asset quality while scaling up will remain monitorable.

Geographically concentrated operations
The company operates predominantly in Tamil Nadu, which accounts for 43% of the portfolio followed by Andhra Pradesh (35%), Telangana (18%), Puducherry (1%) and Karnataka (2%). Furthermore, the acquired portfolio of RBSG Capital provides foothold in Maharashtra and Gurjarat, diversifying its geographical presence. While the company intends to increase its presence in other southern states, Tamil Nadu is likely to remain the key market over the medium term.

In order to expand its portfolio and regional presence, MFIL on June 18, 2026, announced acquisition in the form of a slump sale through business transfer agreement with RBSG Capital Pvt Ltd (RBSG Capital). This RBSG capital has been operating as vehicle finance segment with Maharashtra and Gujarat region and had portfolio size of Rs 284.89 crore as on March 31, 2026, of which 50% consists of cars, passenger vehicles, and taxis, while the remaining towards LCVs and SCVs. This acquisition is expected to benefit MFIL in terms of expanding its area of operations. Nevertheless, given this portfolio being newly acquired, MFIL's ability to maintain collections similar to its self-originated portfolio will remain will a key monitorable.

Liquidity Adequate
As on June 15, 2026, MFIL had liquid surplus of Rs 318.9 crore which includes cash/liquid investments and unutilised cash credit/working capital demand loan. The company's liquidity buffer (assuming 0% collection) for debt obligation and operating expenses arising over July, August and September 2026 is 1.2 times.

Outlook Stable
Crisil Ratings believes MFIL will continue to benefit from the extensive experience of the promoters and its adequate capitalisation.

Rating sensitivity factors
Upward factors:
- Ability to scale up the loan book while maintaining RoMA above 2.5%
- Sustained improvement in the asset quality, with 90+ dpd improving to below 5%
- Strengthening of the capital position while maintaining gearing

Downward factors:
- Steady state adjusted gearing exceeding 5 times
- Earnings profile remaining average, with RoMA of less than 1%
- Significant weakening in the asset quality metrics

About the Company
Incorporated in 1981, MFIL was registered as a deposit-taking NBFC with the Reserve Bank of India (RBI). The company was taken over by the current management in 1987. In 2015, the company surrendered its deposit-taking license to the RBI and was converted into a non-deposit-taking NBFC-asset finance company. It is engaged in used commercial vehicle and passenger vehicle financing in Tamil Nadu, Andhra Pradesh, Telangana and Puducherry through its network of 107 branches as on March 31, 2026.

Key Financial Indicators

For the year / period ended	Unit	Mar-2026	Mar-2025	Mar-2024	Mar-2023	Mar-2022	Mar-2021
Total managed assets	Rs crore	1609.3	1199.1	984.7	720.1	527.1	380.4
Total income	Rs crore	213.0	171.9	136.7	105.0	85.4	60.5
Profit after tax	Rs crore	29.9	21.11	16.7	14.4	10.5	8.4
90+ dpd	%	3.1	3.3	2.7	2.7	4.0	4.2
On-book gearing	Times	2.2	3.5	3.4	4.2	4.1	3.4
Return on managed assets	%	2.1	1.9	2.0	2.3	2.2	2.5

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Non Convertible Debentures#	NA	NA	NA	16.60	Simple	Crisil BBB+/Stable
INE911L08053	Subordinated Debt	16-Mar-22	16.00	16-Mar-27	15.00	Complex	Crisil BBB+/Stable
NA	Subordinated Debt#	NA	NA	NA	60.00	Complex	Crisil BBB+/Stable
NA	Subordinated Debt#	NA	NA	NA	15.00	Complex	Crisil BBB+/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	215.66	NA	Crisil BBB+/Stable
NA	Term Loan	NA	NA	28-Mar-26	4.34	NA	Crisil BBB+/Stable

 # Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	220.0	Crisil BBB+/Stable	24-03-26	Crisil BBB+/Stable	28-07-25	Crisil BBB+/Stable	08-10-24	Crisil BBB/Stable	04-09-23	Crisil BBB/Stable	Crisil BBB/Stable
			--		--	26-03-25	Crisil BBB+/Stable	28-03-24	Crisil BBB/Stable	29-08-23	Crisil BBB/Stable	--
			--		--		--	13-02-24	Crisil BBB/Stable	22-02-23	Crisil BBB/Stable	--
Non Convertible Debentures	LT	16.6	Crisil BBB+/Stable	24-03-26	Crisil BBB+/Stable	28-07-25	Crisil BBB+/Stable	08-10-24	Crisil BBB/Stable	04-09-23	Crisil BBB/Stable	Crisil BBB/Stable
			--		--	26-03-25	Crisil BBB+/Stable	28-03-24	Crisil BBB/Stable	29-08-23	Crisil BBB/Stable	--
			--		--		--	13-02-24	Crisil BBB/Stable	22-02-23	Crisil BBB/Stable	--
Subordinated Debt	LT	90.0	Crisil BBB+/Stable	24-03-26	Crisil BBB+/Stable	28-07-25	Crisil BBB+/Stable	08-10-24	Crisil BBB/Stable	04-09-23	Crisil BBB/Stable	Crisil BBB/Stable
			--		--	26-03-25	Crisil BBB+/Stable	28-03-24	Crisil BBB/Stable	29-08-23	Crisil BBB/Stable	--
			--		--		--	13-02-24	Crisil BBB/Stable	22-02-23	Crisil BBB/Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility	**215.66**	**Not Applicable**	**Crisil BBB+/Stable**
Term Loan	**4.34**	**IFFCO Kisan Finance Limited**	**Crisil BBB+/Stable**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI

7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
[Basics of Ratings (including default recognition, assessing information adequacy)]()
[Criteria for Finance and Securities companies (including approach for financial ratios)]()

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https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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