

Mentor Home Loans India Limited

May 16, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	250.00	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) had, vide its press release dated March 14, 2023, placed the ratings of Mentor Home Loans India Limited (MHLIL) under the 'Issuer non-cooperating' category as MHLIL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. MHLIL continues to be non-cooperative despite repeated request for submission of information through phone calls and emails dated March 22, 2025, April 01, 2025, and April 11, 2025. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Mentor Home Loans India Limited bank facilities will now be denoted as **CARE B; Stable; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The ratings have been revised on account of limited information available.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

The ratings have been revised on account of limited information available, uncertainty pertaining to the outcome of the pending National Company Law Tribunal (NCLT) litigation in relation to the ongoing dispute within the promoter family that has impacted its resources raising ability and thereby led to sustained decline in operations of the company.

Key weakness

Pending NCLT litigation in relation to on-going dispute in the promoter family

Pending NCLT litigation in relation to on-going dispute in the promoter family which has impacted the company's overall operations.

Challenges in resource mobilization

Company is facing challenges in fund raising from external sources. In sync with sustained decline in operations, total borrowing from external sources reduced to Rs. 94 crore as on March 31, 2024 from Rs. 100 crore as on March 31, 2023.

Small scale of operations and continued de-growth in AUM

MHLIL's scale of operations continued to remain small marked by sustained decline in AUM since FY20. The company's AUM has been consistency declining over the last few years and stood at Rs.339 crore as on March 31, 2024 from Rs. 472 crore as on March 31, 2020.

Moderate Profitability & regional concentration

MHLIL's total income decreased during FY24 mainly due to consistent decline in AUM and decline in interest income to Rs. 34.90 crore in FY24 from Rs. 59.91 crore in FY23. Roughly 73.37% of portfolio as on March 31, 2022 is concentrated in Rajasthan followed by Madhya Pradesh (22.19%), Gujarat (3.56%) and Maharashtra (0.88%). (updated data for geography wise not available).

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Key strengths

Experienced promoters

Mr. Pawan Kumar Goyal (Managing Director) has an experience of over two decades in various lines of business.

Secured nature of portfolio with low LTV Ratio

MHIL focuses on housing loans and LAP which comprised 75:25 of total loan portfolio mix as on March 31, 2022 (71:29 as on March 31, 2021) which are secured in nature. During FY22, nearly 81% of total disbursements (FY21: 87%) had LTV of upto 50% with the balance 19% having LTV ranging between 51% to 75% (FY21: 13.32%). (Updated data not available)

Liquidity: NA

Environment, social, and governance (ESG) risks – Not Applicable

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Policy on Default Recognition](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios - Financial Sector](#)

[Non Banking Financial Companies](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Housing Finance Company

Mentor Home Loans India Limited was initially registered as a non-deposit taking Non-Banking Finance Company (NBFC) with Reserve Bank of India (RBI) as an Asset finance company and was engaged in vehicle financing. Subsequently, it got registered with National Housing Bank (NHB) as non-deposit taking Housing Finance Company (HFC) in August, 2014 and commenced its housing finance business. The company is headquartered in Jaipur and is engaged in financing of housing loans and LAP (Mortgage loan). As on March 31, 2024, MHIL's own book loan portfolio stood at Rs. 203.12 crore. The company operates out of its network of 30 branches (as on March 31, 2024) which are located across Rajasthan, Madhya Pradesh and Gujarat.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	74.88	65.22	39.53
PAT	16.26	11.68	0.39
Interest coverage (times)	1.67	1.58	1.07
Total Assets	398.94	335.75	259.93
Net NPA (%)	1.48	1.07	1.27
ROTA (%)	3.74	3.18	0.13

A: Audited; UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	35.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	-	215.00	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	35.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1) CARE B+; Stable; ISSUER NOT COOPERATING* (06-May-24)	-	1) CARE BB-; Stable; ISSUER NOT COOPERATING* (14-Mar-23)
2	Fund-based - LT-Term Loan	LT	215.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1) CARE B+; Stable; ISSUER NOT COOPERATING* (06-May-24)	-	1) CARE BB-; Stable; ISSUER NOT COOPERATING* (14-Mar-23)

*Issuer did not cooperate; based on best available information.

LT - Long term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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