

## Press Release

### Hindusthan Microfinance Private Limited

December 17, 2020



#### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 75.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*

#Refer Annexure for details

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

#### Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BB**' (**read as ACUITE double B**) on the Rs. 75.00 crore bank facilities of Hindusthan Microfinance Private Limited (HMPL).

The rating downgrade is on account of information risk; non-submission of relevant information sought from the company for review of ratings and indicative based on best available information.

#### About the company

Hindusthan Microfinance Pvt. Ltd. (HMPL), incorporated in July 1996, is a Mumbai based Non-Banking Financial Company - Microfinance Institution (NBFC-MFI), which aims at offering credit and other financial products to the urban and rural poor with its presence in the states of Maharashtra, Madhya Pradesh and Chhattisgarh. Earlier, it operated under two models, namely Joint Liability Group (JLG) and Business Correspondents Model (BCM). However, recently, the company has shifted its focus on expanding its own loan book portfolio through the JLG model. The JLG model focuses on lending to women borrowers for income generation purposes, with the ticket size ranging from Rs.10,000 to Rs.50,000.

#### Non-cooperation by the issuer/borrower

Acuité 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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests

**Status of non-cooperation with previous CRA (if applicable):** Brickworks vide its press release dated September 24, 2020 has stated, "on account of non-availability of information and lack of co-operation from the company, Brickwork Rating has reaffirmed and migrated the long term rating of **BWR BB-/Stable Issuer not Cooperating**"

#### Any other information

Not Applicable

#### Applicable Criteria

- Rating of Non-Banking Financing Entities - <https://www.acuite.in/view-rating-criteria-44.htm>
- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>

**Note on complexity levels of the rated instrument**
<https://www.acuite.in/view-rating-criteria-55.htm>
**Rating History (Upto last three years)**

Date	Name of Instrument/Facilities	Term	Amount (Rs. in Cr)	Ratings/Outlook
July 11, 2018	Term Loan	Long Term	3.65	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	1.91	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	0.25	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	0.88	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	1.71	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	2.41	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	1.83	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	3.79	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	4.27	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BB/Stable (Assigned)
	Proposed Bank Facilities	Long Term	52.80	ACUITE BB/Stable (Assigned)
September 26, 2019	Term Loan	Long Term	3.65	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	1.91	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	0.25	ACUITE BB (Withdrawn)
	Term Loan	Long Term	0.88	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	1.71	ACUITE BB (Withdrawn)
	Term Loan	Long Term	0.61	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	1.83	ACUITE BB (Withdrawn)
	Term Loan	Long Term	1.42	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	0.16	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	0.56	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	0.41	ACUITE BB/Stable (Assigned)
	Cash Credit	Long Term	1.50	ACUITE BB/Stable (Reaffirmed)

	Term Loan	Long Term	1.33	ACUITE BB/Stable (Assigned)
	Proposed Bank Facilities	Long Term	60.07	ACUITE BB/Stable (Reaffirmed)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not Available	Not Available	Not Available	3.65	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	1.91	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	0.88	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	0.61	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	1.42	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	2.50	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	0.16	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	0.56	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	0.41	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Cash Credit	Not Available	Not Applicable	Not Available	1.50	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	1.33	ACUITE BB- (Downgraded from ACUITE BB)

					Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	60.07	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*

## Contacts

Analytical	Rating Desk
<p>Mohit Jain Senior Vice President Tel: 022-49294000 <a href="mailto:mohit.jain@acute.in">mohit.jain@acute.in</a></p> <p>Palak Shah Rating Analyst - Rating Operations Tel: 022-49294072 <a href="mailto:palak.shah@acute.in">palak.shah@acute.in</a></p>	<p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acute.in">rating.desk@acute.in</a></p>

## About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.