

## Press Release

Hindusthan Microfinance Private Limited

March 21, 2022



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	75.00	ACUITE B+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE single B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 75.00 crore bank facilities of Hindusthan Microfinance Private Limited (HMPL). The rating is flagged as Issuer Not Cooperating.

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:

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.

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.

### **About the Rated Entity - Key Financials**

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

### **Rating Sensitivity**

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

### **Material Covenants**

Not Applicable

### **Liquidity Position**

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

### **Outlook**

Not Applicable

### **Status of non-cooperation with previous CRA**

Brickworks vide its press release dated September 24, 2021 has stated, "on account of non-availability of information and lack of co-operation from the company, Brickwork Rating has Downgraded and the long term rating of BWR B+/Stable Issuer not Cooperating"

### **Any other information**

Not Applicable

### **Applicable Criteria**

- 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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Dec 2020	Proposed Bank Facility	Long Term	60.07	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.61	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.16	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.65	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.88	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.33	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.56	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.50	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.41	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.91	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.42	ACUITE BB- (Downgraded and Issuer not co-operating*)
26 Sep 2019	Term Loan	Long Term	0.88	ACUITE BB   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	60.07	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	0.41	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	1.42	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	1.91	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	0.61	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	3.65	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	0.56	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	0.16	ACUITE BB   Stable (Assigned)
	Cash Credit	Long Term	1.50	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	1.33	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	1.83	ACUITE BB (Withdrawn)
	Term Loan	Long Term	1.71	ACUITE BB (Withdrawn)
		Long		

	Term Loan	Term	0.25	ACUITE BB (Withdrawn)
11 Jul 2018	Term Loan	Long Term	1.83	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	1.71	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	4.27	ACUITE BB   Stable (Assigned)
	Proposed Bank Facility	Long Term	52.80	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	3.79	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	2.41	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	0.25	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	1.91	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	0.88	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	3.65	ACUITE BB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	60.07	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
IDFC First Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	1.33	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	0.16	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	0.56	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	0.41	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	3.65	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Small Industries Development	Not Applicable	Term Loan	Not available	Not available	Not available	1.91	ACUITE B+   Downgraded   Issuer not co-

Bank of India							operating* (from ACUITE BB- )
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.88	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.61	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
UCO Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.42	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	2.50	ACUITE B+   Downgraded   Issuer not co-operating* (from ACUITE BB- )

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### About Acuité Ratings & Research

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