



Press Release

Hindusthan Microfinance Private Limited

June 06, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 75.00 crore bank facilities of Hindusthan Microfinance Private Limited (HMPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Hindusthan Microfinance Private Limited (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. The Current Directors of the company are Mr Anil Laxmanrao Jadhav, Ms Sujata Anil Jadhav, Mr Prakash Brahma Lingamallu, Mr Nagaraja Venkataramaniya, Mr Pratik Bharat Mandvia, Mr Ramanathan Annamalai and Mr Satishkumar Gopalkrishnan Rao.

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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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 endeavored 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.

Rating Sensitivities

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Other Factors affecting Rating

Not Applicable.

Key Financials:

Particulars	Unit	FY22	FY21
		(Actual)	(Actual)
Total Assets**	Rs. Cr.	42.89	23.82
Total Income*	Rs. Cr.	25.55	17.32
PAT	Rs. Cr.	0.32	0.23
Networth	Rs. Cr.	13.67	13.53
Return on Average Asset (ROAA)	(%)	0.97	0.96
Return on Net Worth (RoNW)	(%)	2.38	1.67
Total Debt/Tangible Net Worth (Gearing)**	Times	1.84	0.58
Gross NPA	(%)	NA	NA
Net NPA	(%)	NA	NA

Status of non-cooperation with previous CRA

None.

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
21 Mar 2022	Term Loan	Long Term	0.56	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.41	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.42	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.61	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.33	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.91	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	60.07	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.88	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.16	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.65	ACUITE B+ (Downgraded and Issuer not co-operating*)
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*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE B+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	60.07	ACUITE B+ Reaffirmed Issuer not co-operating*
IDFC First Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.33	ACUITE B+ Reaffirmed Issuer not co-operating*
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.16	ACUITE B+ Reaffirmed Issuer not co-operating*
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.56	ACUITE B+ Reaffirmed Issuer not co-operating*
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.41	ACUITE B+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.65	ACUITE B+ Reaffirmed Issuer not co-operating*
Small Industries Development Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.91	ACUITE B+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.88	ACUITE B+ Reaffirmed Issuer not co-

								operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.61	ACUITE B+ Reaffirmed Issuer not co- operating*
UCO Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.42	ACUITE B+ Reaffirmed Issuer not co- operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.50	ACUITE B+ Reaffirmed Issuer not co- operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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