



Press Release

Hindusthan Microfinance Private Limited

September 03, 2024

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	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 75.00 crore bank facilities of Hindusthan Microfinance Private Limited (HMPL) on account of information risk. 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.

Unsupported Rating

Not Applicable

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 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 endeavored 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 ratings is based.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

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

Not Applicable

Any other information

None

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
06 Jun 2023	Term Loan	Long Term	3.65	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.91	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.88	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.61	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.42	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	1.50	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.33	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.16	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.56	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.41	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	60.07	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
21 Mar 2022	Term Loan	Long Term	3.65	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	1.91	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	0.88	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	0.61	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	1.42	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	2.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	1.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	1.33	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
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	Term Loan	Long Term	0.41	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Proposed Long Term Bank Facility	Long Term	60.07	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)

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 avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.50	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	60.07	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
IDFC First Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.33	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Ananya Finance For Inclusive Growth Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.16	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Ananya Finance For Inclusive Growth Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.56	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Ananya Finance For Inclusive Growth Private Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.41	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.65	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Small Industries Development	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not	Not avl. / Not	Simple	1.91	ACUITE B Downgraded Issuer not co-

Bank of India	appl.			appl.	appl.			operating* (from ACUITE B+)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.88	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.61	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
UCO Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.42	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.50	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)

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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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