

Press Release

MSM Micro Finance Limited

April 20, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.50	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	24.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE B+' (read as ACUITE B Plus)** on the Rs. 24.50 crore bank facilities of MSM Micro Finance Limited (MSM). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

MSM Microfinance Limited (MSM), incorporated in 1996, is engaged in the financing of income generating agricultural activities in Tamil Nadu, Gujarat and Madhya Pradesh. The company is also a partnership model for several non-banking finance companies such as MAS Financial Services Limited, Equitas Finance Limited and Ananya Finance Limited. MSM originates loans on behalf of these NBFCs and is responsible for credit appraisal, monitoring and collections of receivables from the portfolio. The day-to-day operations are led by Mr. Muthukumar, Managing Director, Mr. Mohan Kumar Subramanyam, Mr. P.S.V. Vasanth, Dr. R. Balakrishnan and Mr. Deivasigamani Balu.

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.

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

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 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 Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

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

- 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
18 Jan 2021	Proposed Bank Facility	Long Term	4.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	20.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
01 Nov 2019	Proposed Bank Facility	Long Term	4.50	ACUITE BB- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	20.00	ACUITE BB- (Issuer not co-operating*)
14 Aug 2018	Proposed Bank Facility	Long Term	4.50	ACUITE BB- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	20.00	ACUITE BB- (Issuer not co-operating*)
28 Jun 2017	Proposed Term Loan	Long Term	4.50	ACUITE BB- Stable (Assigned)
	Proposed Long Term Loan	Long Term	20.00	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
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B+ Reaffirmed Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE B+ Reaffirmed Issuer not co- operating*

Contacts

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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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