

Sec/BSE/65/2022-23

28th March 2023

The President
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai -400001

Dear Sir/Madam,

Sub: intimation regarding revision in credit rating under regulation 51(2) of SEBI LODR Regulation, 2015

We wish to inform you that, it came to our notice that M/s Brickwork has downgraded the rating from BWR AA-/Stable to BWR A+/Stable for Banking loan facility of Rs 20 cr. We have already given a request letter to Brickwork for withdrawal rating of our Bank loan facility in 01st March,2023 pursuant to SEBI ban. We have given NOC from the lenders for withdrawal of rating on their request. Enclosing herewith the letter published in their site for your kind perusal. We already have rating of CRISIL AA-/Stable from CRISIL and CARE AA-; Stable from CareEdge for Rs 450 cr. & Rs 350 cr. respectively, which cover this Banking loan facility of Rs 20 cr.

Request you to kindly take the same on your record

For Manappuram Home Finance Limited

SREEDIVYA
SREENIVAS
BHAT

Digitally signed by
SREEDIVYA
SREENIVAS BHAT
Date: 2023.03.28
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Sreedivya.S
Company Secretary

Rating Rationale

24 March 2023

Manappuram Home Finance Ltd

Brickwork Ratings has downgraded the rating for the Bank loan facilities amounting to Rs. 20 Crs of Manappuram Home Finance Ltd based on best available information, and migrated the rating under the ISSUER NOT COOPERATING*category as the issuer did not cooperate.

Particulars:

Facilities**	Amount (Rs in Crores)		Tenor	Rating#	
	Previous	Present		Previous (24 December, 2021)	Present
Fund Based-Cash Credit/Overdraft	5.00	5.00	Long Term	BWR AA-/Stable (Reaffirmed)	BWR A+/Stable ISSUER NOT COOPERATING*/ (Downgraded)
Fund Based- Term Loan	15.00	15.00			
Total	20.00	20.00	Rupees Twenty Crores Only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

*Issuer did not cooperate; Based on best available information

** details of bank wise facilities is shared at Annexure I

Note: An Advisory for delay in rating review was published on 23 December 2023.

The Company had requested for withdrawal of ratings of the aforesaid bank loan facilities, however the requisite documents / information for the review and withdrawal of rating is not yet provided by the company, including latest updates on the development in the company, business prospects and outstanding bank loans position.

RATING ACTION

Brickwork Ratings (BWR) downgrades the rating of the Bank Loan facilities of Manappuram Home Finance Limited as tabulated above, based on best available information as the issuer did not cooperate.

BWR had last reviewed the rating at BWR AA-/Stable/Reaffirmed on 24 Dec 2021. BWR took up with the issuer to provide requisite documents/information for the review and withdrawal of rating, over emails and phone calls. Despite BWR's best efforts to obtain at least the minimum required information for a rating review, the Company has not provided the same. In the absence of adequate information from the Company and lack of cooperation, BWR is unable to assess the company and maintain a valid rating.

Hence, on account of inadequate information, non receipt of requisite information/ documents for the review/withdrawal of the bank loan facilities, and to comply with the regulatory timelines BWR has downgraded the rating to BWR A+/Stable with migration of the rating to "ISSUER NOT COOPERATING" category, based on best available information

NATURE OF NON COOPERATION

BWR had last rated the company in December 2021 and a long-term rating of BWR AA-/stable was reaffirmed, for the bank loan facilities of Rs.20 Cr of MHFL sanctioned by South Indian Bank. The rating of the Company was due for review on 24 Dec 2022 and an advisory was published in Dec 2022. Despite various emails and telephonic calls made to the company, the requisite document/ information for review/ withdrawal of rating especially the lenders no dues confirmation on the term loans and the company's confirmation on non-utilisation of the BWR rated proposed bank loan facilities was not provided by the company.

Limitations of the rating: Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

COMPANY PROFILE

Manappuram Home Finance Limited (MHFL), is a wholly owned subsidiary of Manappuram Finance Limited (MFL). MHFL is based out of Valapad, in the Thrissur District of Kerala. It was formed after acquisition of another housing finance company by name “Milestone Home Finance Company Pvt Ltd” in 2014. MHFL started its operations in January 2015 and FY16 was its first full financial year of operations. It is into the affordable housing segment in Tier II and Tier III Cities lending to mainly self employed people with average ticket size of Rs 10 lakhs.

KEY FINANCIAL INDICATORS (in ₹ Cr)

Key Parameters		FY 2020	FY 2021	FY 2022
Result Type	Units	Audited	Audited	Audited
AUM	Rs Crs	629.61	666.27	845.3
Gross NPA %	Rs &	4.91	6.38	5.90
PAT	Rs Crs	10.48	10.29	7.21
Tangible Networth	Rs Crs	199.21	209.69	216.97
Total Borrowings	Rs Crs	429.82	438.44	622.01
Total CRAR (%)	%	53.43	52.86	38.66
Gearing	Times	2.16	2.09	2.87

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : NA

RATING HISTORY

S. No	Instrument	Current Rating 2023			Rating History		
		Type	Amount (₹ Crs)	Rating	2022	2021	2020
1	Fund Based-Cash Credit/Overdraft	5.0	5.0	BWR A+/Stable ISSUER NOT COOPERATING*/ (Downgradend migration of the rating to Issuer non cooperation category)	-	BWR AA/Stable Reaffirmed	BWR AA/Stable Reaffirmed
2	Fund Based- Term Loan	15.0	15.0				
	Total	20	20	₹ Twenty Crores Only			

Note: An advisory for delay in rating review was published on 06 Jan 2023

*Issuer did not cooperate ; based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS BLR SIMPLE

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Bank and Financial Institutions](#)
- [What constitutes Issuer not cooperating?](#)

Analytical Contacts	
Forum Parekh Senior Manager - Ratings Board : +91 22 6745 6666 forum.rp@brickworkratings.com	Hemant Sagare Director- Ratings Board: +91 80 4040 9999 hemant.s@brickworkratings.com media@brickworkratings.com
1-860-425-2742	

Manappuram Home Finance

Annexure - I Bank Loan facilities (as per last rating review of Dec 2021)

Name of Bank	Types	Sanction Amount (Rs. Crs)	Outstanding as on Nov 21* (Rs Crs)	Amount rated Rs Crs
South Indian Bank Ltd	Term Loan	10	6.25	6.25
	Cash Credit	5	4.57	5
Proposed Long Term Bank Loan Facility				8.75
TOTAL				20

**Latest Outstanding position is not provided by the company*

Annexure - II Details of Debt Instruments Rated: NIL



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