February 24, 2021

Manappuram Finance Limited: Ratings withdrawn for pass through certificates (PTC) issued under two-wheeler loan receivable securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/S after last surveillance (Rs. crore)	Current Amount Outstanding (Rs. crore)	Rating Action
Vivriti Minotaur 12 2019	PTC Series A1	42.65	-	0.00	[ICRA]AAA(SO); Withdrawn

**Instrument details are provided in Annexure-1*

Rationale

ICRA has withdrawn the ratings for PTC issued under loan securitisation transaction backed by two wheeler loan receivable originated by Manappuram Finance Limited, as tabulated above.

All the payouts to the investors in the above-mentioned instruments have been made and no further payment is due to the investors.

Key rating drivers

Credit strengths

NA

Credit challenges

NA

Description of key rating drivers highlighted above

NA

Key rating assumptions

NA

Liquidity position: NA

Rating sensitivities

NA

Past rated pool performance: This was the first MFL originated transaction, backed by two-wheeler loan receivables, being rated by ICRA. As per Jan-21 collection month, the performance of the pool was good with a cumulative collection efficiency around 95%. Also, there was no cash collateral utilisation in the pool till Feb 20 payout month when the PTCs fully matured.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable

Consolidation/Standalone	Not Applicable

About the company

Thrissur (Kerala)-based Manappuram Finance Limited, the flagship company of the Manappuram Group, is a non-deposit taking, systemically important non-banking finance company (ND-NBFC-SI), which primarily lends against gold ornaments. As on December 31, 2020, it had 4,622 branches across India with an active customer base at 5.11mn. The company went public in August 1995. Over the years, the Group has diversified into other businesses such as home loans, microfinance, vehicle and equipment finance, SME finance and insurance broking. The overall assets under management (AUM) stood at Rs. 27,642.5 crore as on December 31, 2020, including gold loans (73%), microfinance (19%), vehicle and equipment finance (4%), housing (2%), and other businesses. The gold loan business is diversified across 3,524 branches in 28 states and Union Territories (UTs) while the microfinance business (Asirvad) is spread across 1047 branches in 23 states and UTs. The vehicle and equipment finance business are spread across 222 branches in 22 states and the housing finance business is spread across 47 branches in 9 states. For FY2020, the consolidated profit after tax (PAT) was Rs. 1,402 crore on total income of Rs. 5,551 crore compared to PAT of Rs. 920 crore on total income of Rs. 4,165 crore for FY2019.

Key financial indicators

	FY2019	FY2020	9M FY2021 (unaudited)
As per	**Ind-AS**	**Ind-AS**	**Ind-AS**
Net Interest Income	4,165	5,551	2,525.4
Profit after tax	920	1,402	1,240.0
Asset under Management	20,454	28,951	NA
% Gross NPAs (on-book)	NA	NA	1.3%
% Net NPAs (on-book)	NA	NA	NA

Source: Manappuram and ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)					Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding	Date & Rating in FY2021		Date & Rating in FY2020	Date & Rating in FY2019	Date & Rating in FY2018
					Feb 24, 2021	Jun 12, 2020	Jan 07, 2020	-	-
1	Vivriti Minotaur 12 2019	PTC Series A1	42.65	0.00	[ICRA]AAA(SO) Withdrawn	[ICRA]AAA(SO)	Provisional [ICRA]AAA(SO)	-	-

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

Issue Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Vivriti Minotaur 12 2019	PTC Series A1	December 2019	9.25%	March 2024	0.00	[ICRA]AAA(SO) Withdrawn

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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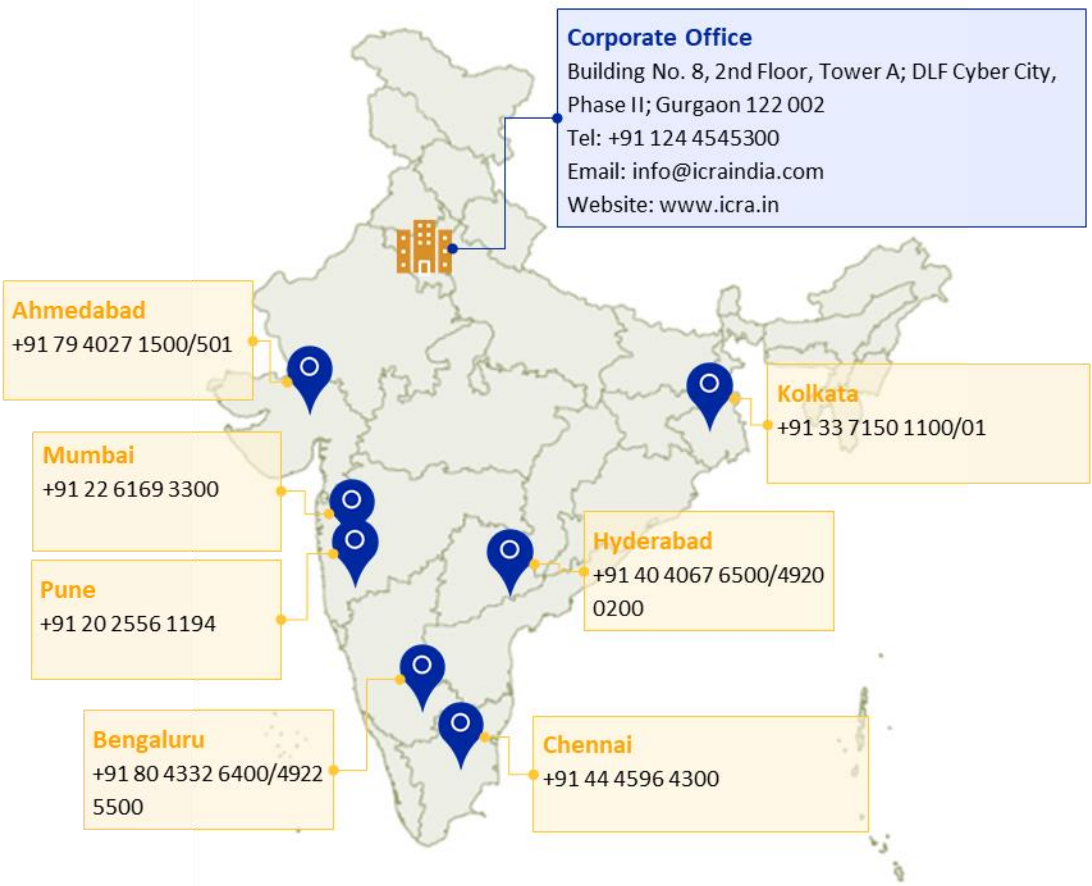

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