December 29, 2023

Muthoot Microfin Limited: Ratings withdrawn for PTCs issued under microfinance loan receivables transactions

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
Gamora 05 2022	PTC Series A1	76.30	12.21	0.00	[ICRA]AA+(SO); Withdrawn
Cygnus June 2022	PTC Series A1	81.80	8.50	0.00	[ICRA]AAA(SO); Withdrawn
Nimbus 2022 MFI Centaurus	PTC Series A1	59.07	6.70	0.00	[ICRA]AA+(SO); Withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under microfinance loan securitisation transactions originated by Muthoot Microfin Limited, as tabulated above. All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments has been withdrawn. The previous detailed rating rationales of previous rating exercises is available at the following links:

Trust Name	Link
Gamora 05 2022	Click Here
Cygnus June 2022	Click Here
Nimbus 2022 MFI Centaurus	Click Here

Analytical approach

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

About the originator

Muthoot Microfin Limited (MML) is a part of the Muthoot Pappachan Group. The company entered the microfinance business in 2010 as a division of Muthoot Fincorp Limited. In December 2011, the Group had acquired a Mumbai-based non-banking financial company (NBFC), Pancharatna Securities Ltd, and renamed it MML. In March 2015, MML received a non-banking financial company-microfinance institution (NBFC-MFI) license from the Reserve Bank of India.

As of March 2023, Muthoot Fincorp Limited had a ~72% stake in the company. As of March 2023, the company had 1,172 branches (up from 905 branches as of March 2022) across 17 states. As of March 2023, MML had a total portfolio size of about Rs. 9,180 crore with a borrower base of 33.43 lakh. The majority of the portfolio is concentrated in Kerala, Tamil Nadu and Karnataka.

Key financial indicators (audited)

MML	FY2020	FY2021	FY2022	FY2023
Total Income	859.4	696.3	842.9	1,446.3
Profit after Tax	18.2	7.1	47.4	163.9
Assets under Management	4,707.0	4,950.4	6,233.7	9,088.0
Gross Non-performing Assets (NPA)%	5.8%	8.1%	6.3%	3.0%
Net NPA%	4.1%	1.5%	1.6%	0.6%

Source: *Company, ICRA Research; All ratios as per ICRA calculations; Amounts in Rs. Crore*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					December 29, 2023	July 27, 2023	July 12, 2022	June 03, 2022	-	-
1	**Gamora 05 2022**	PTC Series A1	76.30	0.00	**[ICRA]AA+(SO); Withdrawn**	[ICRA]AA+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					December 29, 2023	September 22, 2023	September 07, 2022	July 01, 2022	-	-
2	**Cygnus June 2022**	PTC Series A1	81.80	0.00	**[ICRA]AAA (SO); Withdrawn**	[ICRA]AAA (SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					December 29, 2023	September 22, 2023	September 21, 2022	August 01, 2022	-	-
3	**Nimbus 2022 MFI Centaurus**	PTC Series A1	59.07	0.00	**[ICRA]AA+(SO); Withdrawn**	[ICRA]AA+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Gamora 05 2022	PTC Series A1	Moderately Complex
Cygnus June 2022	PTC Series A1	Moderately Complex
Nimbus 2022 MFI Centaurus	PTC Series A1	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website Click here

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
Gamora 05 2022	PTC Series A1	May 2022	9.25%	February 2024	0.00	[ICRA]AA+(SO); Withdrawn
Cygnus June 2022	PTC Series A1	June 2022	9.50%	March 2024	0.00	[ICRA]AAA(SO); Withdrawn
Nimbus 2022 MFI Centaurus	PTC Series A1	July 2022	9.50%	April 2024	0.00	[ICRA]AA+(SO); Withdrawn

Source: *Company*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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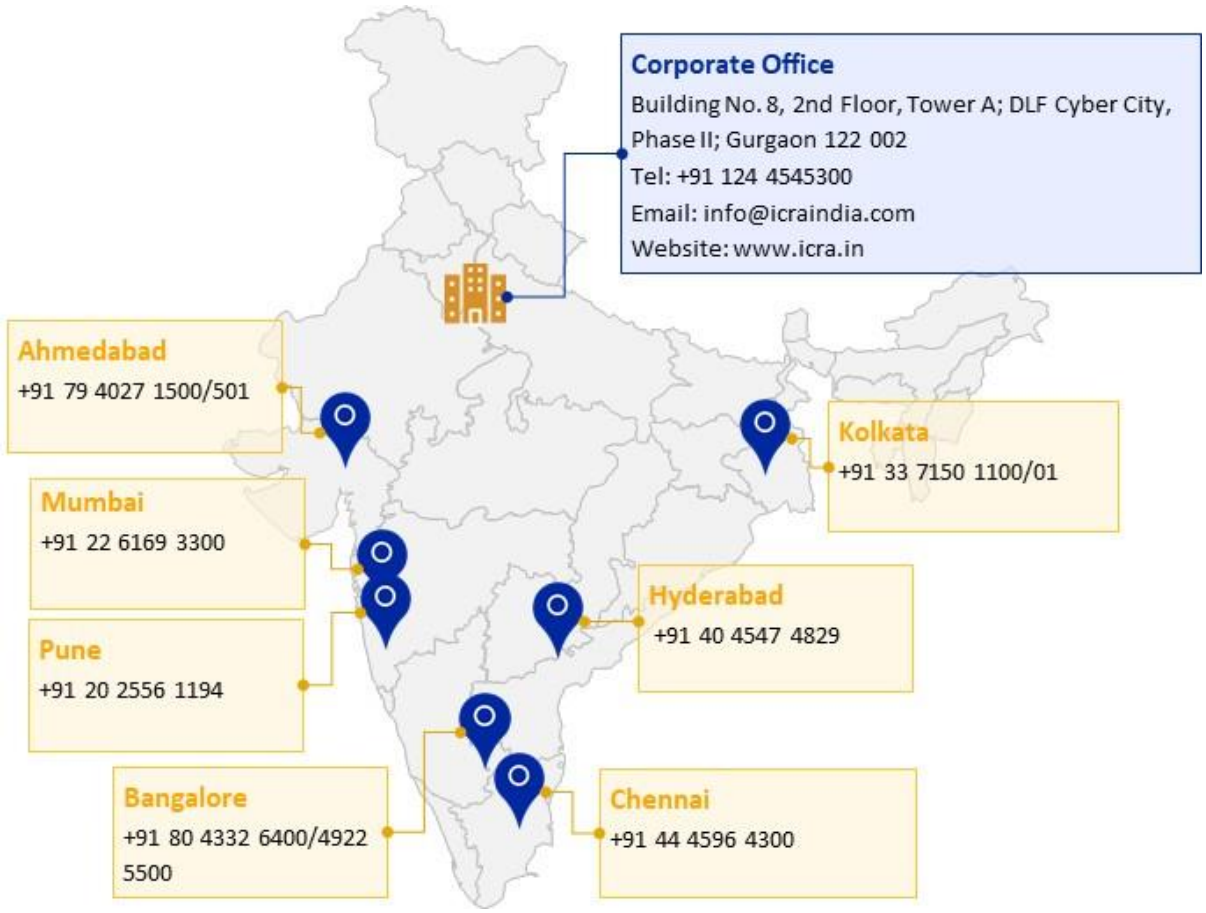

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