March 13, 2024

Midland Microfin Limited: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Goldfish 09 2022	PTC Series A1	28.20	3.63	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A2	1.03	1.03	0.00	[ICRA]A+(SO); Withdrawn

**Instrument details are provided in Annexure I*

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under a microfinance loan receivables securitisation transaction originated by Midland Microfin Limited (MML). 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationales of previous rating exercise is available at the following link:

Trust Name	Link
Goldfish 09 2022	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

Midland Microfin Limited (MML) is a registered non-banking financial company-microfinance institution (NBFC-MFI), which started microfinance operations in January 2011. It was initially engaged in the hire purchase business and was incorporated in 1988 as Sajan Hire Purchase Pvt Ltd. Sajan Hire Purchase was acquired by Mr. Amardeep Samra's Midland Group in 2010 as Mr. Samra wanted to venture into microfinance. The company was registered with the Reserve Bank of India (RBI) as an NBFC-MFI in January 2015. As on December 31, 2023, MML was operational in 12 states and 2 Union Territories, managing total assets of Rs. 2,349 crore.

Key financial indicators (audited)

	FY2021	FY2022	FY2023	9MFY2024*
Total Income	192	220	395	370
Profit after tax	15	22	47	47
Total Managed assets	1,100	1,569	1,990	2,349
Gross NPA	1.7%	3.1%	0.1%	3.1%
CRAR	34.0%	33.7%	28.4%	28.1%

*Source: Company, ICRA Research; *unaudited; Amount 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
					Mar 13, 2024	Nov 24, 2023	Nov 16, 2022	Oct 03, 2022	-	-
1	Goldfish 09 2022	PTC Series A1	28.20	0.00	**[ICRA]AA-(SO); withdrawn**	**[ICRA]AA-(SO)**	**[ICRA]A(SO)**	**Provisional [ICRA]A(SO)**	-	-
		PTC Series A2	1.03	0.00	**[ICRA]A+(SO); withdrawn**	**[ICRA]A+(SO)**	**[ICRA]A-(SO)**	**Provisional [ICRA]A-(SO)**	-	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Goldfish 09 2022	**PTC Series A1**	Moderately Complex
	PTC Series A2	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	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Goldfish 09 2022	PTC Series A1	September 2022	9.90%	June 2024	0.00	[ICRA]AA-(SO); withdrawn
	PTC Series A2		13.00%		0.00	[ICRA]A+(SO); withdrawn

Source: *Company*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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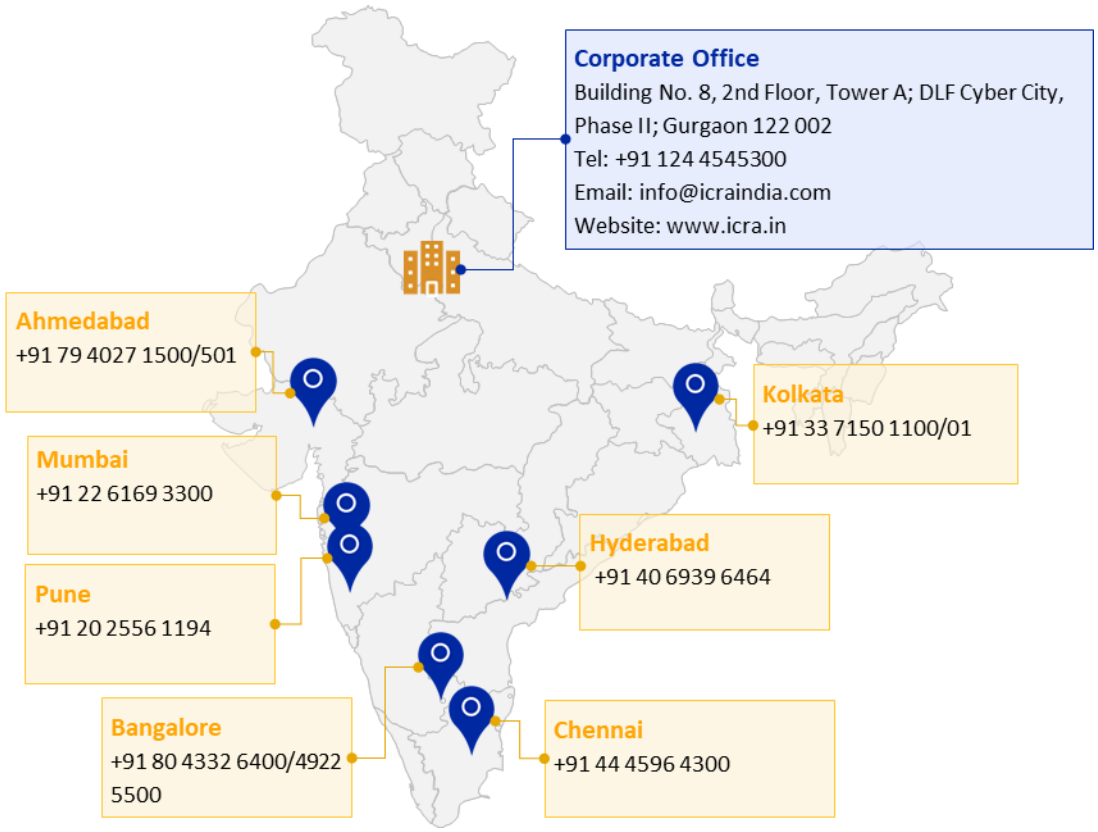

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