

CENTRI 2026
Originator: Muthoot Microfin Limited
September 30, 2026

Instrument [#]	Name of Regulator ¹	Amount (₹ crore)	Structure	Tenure* (months)	Rating ²	Credit Enhancement ^{\$} (₹ crore)			Rating Action
						Subordinated Equity Tranche PTC	Over Collateral	Cash Collateral	
Series A1 PTCs	RBI	103.94	Par (TI-UP)	24	Provisional CARE AA+ (SO)	12.09	4.83	6.04	Assigned
Equity Tranche PTCs		12.09	Par (UP)		Provisional CARE A (SO)	-			

Details of instruments/facilities in Annexure-1.

[#]Pass-through certificates (PTCs) are rated based on the timely payment of interest and the payment of principal on or before the last scheduled payout date.

* Tenure / door-to-door maturity may change due to prepayments or changes in interest rates.

^{\$}Excess interest spread (EIS) shall be utilised to prepay PTC investors per the waterfall mechanism.

Rating in the absence of pending steps/documents

No rating can be assigned

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assigned ratings of 'Provisional CARE AA+ (SO)' [pronounced as 'Double A Plus (Structured Obligation)'] and 'Provisional CARE A (SO)' [pronounced as 'Single A (Structured Obligation)'] to Series A1 PTCs and Equity Tranche PTCs, proposed to be issued by CENTRI 2026 backed by microfinance loan receivables originated by Muthoot Microfin Limited ("the Originator" or "MML").

Ratings are based on credit quality of underlying loans, support in form of credit enhancement (CE), credit underwriting and servicing capability of the originator, well-defined payment mechanism, and robust legal structure of the transaction.

Final ratings will be assigned after copies of following documents, duly executed in accordance with the structure and to the satisfaction of CareEdge Ratings, are furnished by the originator:

- Assignment agreement
- Trust deed
- Power of attorney
- A legal opinion
- Due diligence audit report
- Any other documents executed for the transaction.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Delinquencies (90+ days past due [DPD] as percentage of initial principal outstanding [POS]) of less than 2% and sustained high collection efficiency (cumulative collection efficiency [CCE] of over 98%).
- Sustained build-up of cash collateral (CC) of over 2x the initial proposed (as percentage of the balance POS).

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD as percentage of initial POS) of over 8% and sustained lower collection efficiency (CCE of less than 90%) till pool amortised by 50%.
- Deterioration in credit profile of the originator.
- Utilisation of CC.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

Ratings are based on inter alia, analysis of underlying pool of receivables, expected pool performance, performance of the originator's portfolio and transaction structure including proposed CE.

Detailed description of key rating drivers

The transaction is structured at par and Series A1 PTCs are rated for the timely payment of interest with the repayment of principal on or before the final legal maturity and Equity tranche PTCs are rated for the repayment of principal on or before the final legal maturity and excess interest spread (EIS) amounts to 16.42% of the initial pool POS.

The assigned pool consists of ~23,700 microfinance loan contracts, aggregating to a POS of ₹120.86 crore as on the cut-off date. Top three states account for ~44% of the pool. All contracts are current on payment. The pool has weighted an average seasoning of around seven months with an amortisation of ~23%. The pool is diverse in terms of geography with the top three states accounting for ~44%. The pool is granular with scheduled cash flows from underlying loans. The assignment of receivables to the special purpose vehicle (SPV) lends strength to these cash flows and the rating factors terms of servicing agreement as detailed hereinafter.

CE will comprise CC of 5.00%, subordinated over collateral (OC) of 4.00%, and Equity Tranche PTC of 10.00%, and subordination of EIS of ~16% of the pool POS in the structure. CC will be in the form of fixed deposits (FDs) with a lien marked in favour of the trust, per CareEdge Ratings' criteria. The support of OC and EIS is subject to realisation. EIS is also subject to compression, considering prepayments in the pool. The cash flow from the underlying pool, and external CE, will be used to make payout to pass-through certificate (PTC) investors.

Key strengths:

- Robustness of transaction structure and well-defined payment mechanism.
- CE comprising CC, subordinated Equity Tranche PTCs (Only for Series A1 PTCs), OC, and EIS.
- No overdue contracts as on the pool cut-off date; ~99.4% of contracts in the pool are current since inception.
- Underwriting policies and collection capabilities of MML.
- Moderate-weighted average seasoning (based on months) of around seven months with amortisation of ~23% as of pool cut-off date.
- Geographically diversified pool with top three states accounting for ~44% of the pool POS as of pool cut-off date.

Key weaknesses:

- Weak borrower profile as this segment is susceptible to socio-political disruptions and other external shock.

Liquidity:
For Series A1 PTCs: Strong

Inherent liquidity in the structure is strong. Interest payouts for Series A1 PTCs are promised monthly, while the principal of Series A1 PTCs is promised to be paid by final legal maturity. In case of delinquency, payouts are expected to be supported by CE consisting of CC, principal subordination in form of Equity Tranche PTCs, subordinated OC, and EIS.

For Equity Tranche PTCs: Adequate

Inherent liquidity in the structure is adequate. The principal for the Equity Tranche PTCs is promised by the final legal maturity. In case of delinquency, payouts are expected to be supported by CE, consisting of CC, subordinated OC, and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed the transaction to assess whether CE is sufficient to cover shortfalls. Since the transaction is sensitive to credit quality of the underlying pool, CareEdge Ratings has analysed performance of static pools provided by the originator and overall portfolio performance of the originator. Considering the borrower profile, nature of the loan, pool characteristics, and portfolio performance, CareEdge Ratings has taken the average shortfall at 8.00-10.00% of the POS. Base case shortfalls were stressed along with other key factors, such as timing of shortfalls, recovery assumptions, and time to recovery.

Pool cash flow has been further adjusted for prepayments of underlying loans, assuming a monthly prepayment in the range of 0.50-1.00%. CareEdge Ratings has stipulated CE, which is commensurate with credit rating of PTCs.

Key risks, concerns, and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties, including, the trustee and banker, among others.

Applicable criteria

[Policy on Default Recognition](#)

[Assignment of Provisional rating](#)

[CARE Ratings' methodology for asset/mortgage-backed securitisation](#)

Validity of provisional rating

Provisional rating shall be converted into a final rating after receipt of transaction documents duly executed/ completion of mentioned steps within 90 days from the instrument's date of issuance. An extension of 90 days may be granted on a case-to-case basis in line with CareEdge Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with provisional nature of credit rating

When a rating is assigned pending execution of certain critical documents or steps to be taken, the rating is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of critical documents to the satisfaction of CareEdge Ratings, the final rating is assigned. In the absence of documents/ completion of steps or where such documents deviate significantly from those considered, provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

About the originator / servicer and industry

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

MML is a subsidiary of Muthoot Fincorp Limited (MFL) and a part of the Muthoot Pappachan Group (MPG). It started operations as a small business unit within MFL in 2010 with presence in Keralam and Tamil Nadu. In 2012, MFL acquired Pancharatna Securities Limited, a non-banking financial company (NBFC) based in Mumbai and subsequently changed its name to MML. MML received an NBFC microfinance institution (MFI) license in March 2015; subsequently, it commenced microfinance lending. The originator has been engaged in microfinance business for over 12 years and is an active player in securitisation / bilateral market. In June 2026, MML has sold down ~30 pools (PTCs) initial size aggregating to ~₹5,745 crore.

Key financial indicators - MML

Brief financials (₹ crore)	FY25 (A)	FY26 (A)	Q1 FY27 (UA)
Total income	2,564	2,380	671
Profit after tax (PAT)	(223)	170	81
Assets under management (AUM)	12,357	13,973	14,457
On-book gearing (x)	3.01	3.34	3.42
AUM / tangible net-worth (TNW) (x)	4.69	4.90	4.92
Gross non-performing assets (NPA) / gross stage 3 (%)	2.10	3.89	3.70
Return on managed assets (ROMA) (%)	NA	NA	NA
Capital adequacy ratio (CAR) (%)	27.86	23.92	24.91

A: Audited; NA: Not available; Note: These are latest financial results available.

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the SPV in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in respective loan agreements. The servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures

timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors sufficiency of funds for investor payouts one day prior to payout date and utilises CC in case of shortfall. The servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. Terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities:

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Pass Through Certificates	RBI	Highly Complex	-	-	-	-	103.94	Provisional CARE AA+ (SO)
Pass Through Certificates	RBI	Highly Complex	-	-	-	-	12.09	Provisional CARE A (SO)

Annexure-2: Rating history for last three years:

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Pass Through Certificates	LT	103.94	Provisional CARE AA+ (SO)				
2	Pass Through Certificates	LT	12.09	Provisional CARE A (SO)				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Lender details

Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-2850 1000 E-mail: pradeep.kumar@careedge.in	Analytical Contacts Vineet Jain Senior Director CARE Ratings Limited Phone: +91-22-6754 3456 E-mail: vineet.jain@careedge.in Sriram Rajagopalan Director CARE Ratings Limited Phone: +91-22-6754 3652 E-mail: sriram.rajagopalan@careedge.in Chirag Gambhir Associate Director CARE Ratings Limited Phone: +91-22-6754 3423 E-mail: chirag.gambhir@careedge.in
---	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**