

September 28, 2021

Manba Finance Limited: Ratings withdrawn for PTCs issued under a pool of two-wheeler loan receivables

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Northern ARC 2019 2W Galadriel	PTC Series A1	20.02	10.22	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	0.69	0.69	0.00	[ICRA]A-(SO); Withdrawn

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under one micro loan receivables transaction originated by Manba Finance Limited as tabulated above. All the payouts to the investors in the above-mentioned instrument has 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key rating drivers, liquidity position, rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [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 company

Manba Finance Limited (MFL), incorporated in 1996, is a RBI registered NBFC based in Mumbai, Maharashtra. In the earlier years, the company was acting as a business correspondent in vehicle financing for a few private and public banks. From 2008 onwards, the company started two-wheeler-financing. The company is promoted by Mr. Manish Shah and 100% of the company's stake is owned by Mr. Manish Shah and family as on March 31, 2020.

Its operations are concentrated in Maharashtra, however, over the years it has expanded to two other states i.e. Gujarat and Rajasthan. As on Jun-20, the company's total AUM was Rs. 438.35 crore.

Key financial indicators

	FY2019	FY2020
Total income	90.3	118.8
Profit after tax	14.3	17.9
Asset Under Management	454.4	513.3
% Gross NPA	1.2%	1.4%
% Net NPA	1.0%	1.2%

Source: Company, ICRA research; All values (in Rs. crore) and ratios are as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Trust name	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020		Date & Rating in FY2019
					Sep 28, 2021	Nov 24, 2020	Nov 28, 2019	Oct 03, 2019*	-
1	Northern ARC 2019	PTC Series A1	20.02	0.00	[ICRA]A+(SO); Withdrawn	[ICRA]A+(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-
	2W Galadriel	PTC Series A2	0.69	0.00	[ICRA]A-(SO); Withdrawn	[ICRA]A-(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	

*Initial rating assigned

^Final rating assigned

Complexity level of the rated instruments

Instrument	Complexity Indicator
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: www.icra.in

Annexure-1: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Northern ARC 2019 2W Galadriel	PTC Series A1	September 2019	11.50%	March 2022	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	September 2019	15.00%	March 2022	0.00	[ICRA]A-(SO); Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Palak Bhatt

+91 22 6114 3400

palak.bhatt@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2021 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.