

April 27, 2023

## Namra Finance Limited: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transaction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
KiPlatform M22 - 005	PTC Series A1	26.86	15.13	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A2	1.22	1.22	0.00	[ICRA]A+(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under microfinance loan receivables securitisation transaction originated by Namra Finance Limited (NFL). 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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 rationale of previous rating exercise is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Policy on Withdrawal of Credit Rating</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

### About the originator

Namra Finance Limited is a wholly-owned subsidiary of Arman Financial Services Limited. Microfinance is regulated by the Reserve Bank of India (RBI), which only allows non-banking financial company-microfinance institutions (NBFC-MFIs) to conduct microfinance operations. Hence, a wholly-owned structure was set up at NFL.

NFL's operations are spread across central and western India in Gujarat, Madhya Pradesh, Uttar Pradesh, Uttarakhand, Maharashtra, Rajasthan and Haryana. Lending is done with a ticket size of Rs. 45,000 through cashless transfers to the borrower's bank account. NFL mainly lends to women borrowers through joint liability groups (JLGs). As of December 31, 2022, the Group's microfinance operations had 260 branches spread over 114 districts in eight states. The company had 5.1lakh+ active customers.

### Key financial indicators

NFL	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)	9MFY2023 (Provisional)
Total income	148.4	134.0	173.0	209.4
Profit after tax	25.2	4.9	18.5	37.7
Assets under management	621.1	642.4	1,022.0	1,367.0
Gross NPA	0.93%	4.63%	3.7%	3.3%
Net NPA	0.01%	2.98%	0.6%	0.1%

Amount in Rs. crore

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Investor presentation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

**Rating history for past three years**

Sr. No.	Trust Name	Instrument	Current Rating (FY2024)			Chronology of Rating History for the past 3 years					
			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
					Apr 27, 2023	Sep 19 ,2022	Apr 29 ,2022*	Apr 04. 2022	--	--	
1	KiPlatform M22 - 005	PTC Series A1	26.86	0.00	[ICRA]AA-(SO); Withdrawn	[ICRA]AA-(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	--	--	
		PTC Series A2	1.22	0.00	[ICRA]A+(SO); Withdrawn	[ICRA]A+(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)			

*\*Provisional rating finalised*

**Complexity level of the rated instrument**

Trust Name	Instrument	Complexity Indicator
KiPlatform M22 - 005	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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
KiPlatform M22 - 005	PTC Series A1	March 2022	9.30%	October 2023	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A2	March 2022	15.00%	October 2023	0.00	[ICRA]A+(SO); Withdrawn

Source: Company

#### Annexure II: List of entities considered for consolidated analysis

Not Applicable

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## About ICRA Limited:

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