

August 09, 2023

Namra Finance Limited: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transactions

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KiPlatform M22 - 009	PTC Series A1	22.35	NA	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	1.02	NA	0.00	[ICRA]A-(SO); Withdrawn
Nimbus 2022 MFI Sydney	PTC Series A1	28.28	16.60	0.00	[ICRA]AA-(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under microfinance loan receivables securitisation transactions originated by Namra Finance Limited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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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 rationales of previous rating exercise is available at the following link:

- KiPlatform M22 - 009: [Click here](#)
- Nimbus 2022 MFI Sydney: [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

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 an average ticket size of ~Rs. 50,000 through cashless transfers to the borrower's bank account. NFL mainly lends to women borrowers through joint liability groups (JLGs). As of March 31, 2023, the microfinance operation of the group had 274 branches spread over 119 districts in eight states. The company had around 5.4 lakh+ customer active customers.

Key financial indicators (audited)

	FY2020 (Audited)	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)
Total income	148.4	134.0	173.0	331.5
Profit after tax	25.2	4.9	18.5	67.2
Assets under management	621.1	642.4	1,022.0	1,628.0
Gross NPA	0.9%	4.6%	3.7%	2.8%
Net NPA	0.0%	3.0%	0.6%	0.1%

Amount in Rs. crore

Source: Company's financial statements, ICRA Research

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)		Date & Rating in FY2024	Chronology of Rating History for the past 3 years			Date & Rating in FY2022	Date & Rating in FY2021
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)		Date & Rating in FY2023				
					August 09, 2023	August 05, 2022	July 04, 2022		--	--
1	KiPlatform M22 - 009	PTC Series A1	22.35	0.00	[ICRA]A+(SO); Withdrawn	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	--	--	--
		PTC Series A2	1.02	0.00	[ICRA]A-(SO); Withdrawn	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	--	--	--

Sr. No.	Trust Name	Instrument	Current Rating (FY2024)		Date & Rating in FY2024	Chronology of Rating History for the past 3 years			Date & Rating in FY2022	Date & Rating in FY2021
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)		Date & Rating in FY2023				
					August 09, 2023	October 17, 2022	May 11, 2022		Mar 31, 2022	--
2	Nimbus 2022 MFI Sydney	PTC Series A1	28.28	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
KiPlatform M22 - 009	PTC Series A1	Moderately Complex
	PTC Series A2	Moderately Complex
Nimbus 2022 MFI Sydney	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
KiPlatform M22 - 009	PTC Series A1	June 2022	9.75%	February 2024	0.00	[ICRA]A+(SO); Withdrawn
	PTC Series A2	June 2022	14.00%	February 2024	0.00	[ICRA]A-(SO); Withdrawn
Nimbus 2022 MFI Sydney	PTC Series A1	March 2022	10.25%	November 2023	0.00	[ICRA]AA-(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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