

December 07, 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Namra Finance Limited: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transaction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
GOOD 03 2022	PTC Series A1	29.48	17.06	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A2	1.00	1.00	0.00	[ICRA]A+(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under a microfinance loan receivables securitisation transaction originated by Namra Finance Limited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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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: [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 September 30, 2023, the microfinance operation of the group had 309 branches spread over 119 districts in nine states. The company had around 6.0 lakh+ customer active customers.

Key financial indicators

	FY2022 (Audited)	FY2023 (Audited)	H1 FY2024*
Total income	173.0	331.5	246.9
Profit after tax	18.5	67.2	65.6
Assets under management	1,022.0	1,628.0	1,944.9
Gross NPA	3.7%	2.8%	2.4%
Net NPA	0.6%	0.1%	0.1%

*Provisional, 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			
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)		Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
						Dec 07, 2023	Dec 09, 2022	May 11, 2022	Mar 22, 2022
1	GOOD 03 2022	PTC Series A1	29.48	0.00	[ICRA]AA-(SO); Withdrawn		[ICRA]AA-(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)
		PTC Series A2	1.00	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
GOOD 03 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 / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
GOOD 03 2022	PTC Series A1	March 2022	9.80%	November 2023	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A2	March 2022	13.00%	November 2023	0.00	[ICRA]A+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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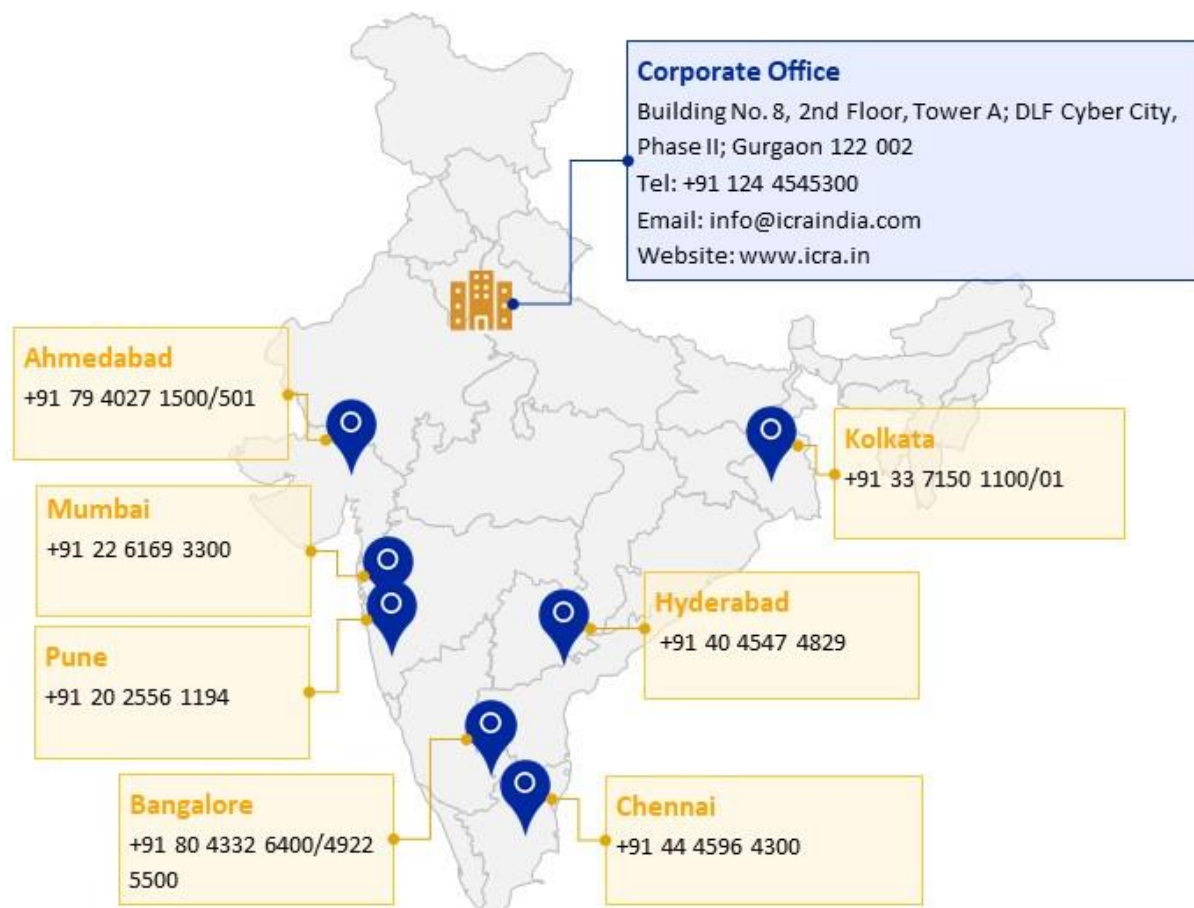


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