

January 19, 2024

## Namra Finance Limited: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transactions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
MFSL 2022 Lynx	PTC Series A1(a)	28.74	10.15	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A1(b)	3.19	3.19	0.00	[ICRA]A+(SO); Withdrawn
Sheryl 06 2022	PTC Series A1	13.47	4.73	0.00	[ICRA]A+(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under two microfinance loan receivables securitisation transactions originated by Namra Finance Limited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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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:

Trust Name	Link
MFSL 2022 Lynx	<a href="#">Click Here</a>
Sheryl 06 2022	<a href="#">Click Here</a>

### 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 ("Namra"), a wholly owned subsidiary of Arman Financial Services Limited. Micro-Finance is regulated by RBI & it allows only NBFC- MFI for the Microfinance operations, hence a wholly owned structure was set up in Namra. Namra's operations are spread primarily across central & western India in the states of Gujarat, Madhya-Pradesh, Uttar Pradesh, Uttarakhand, Maharashtra, Rajasthan & Haryana. The Lending is done with an average ticket size of ~Rs. 46,000 through cashless transfers into borrower bank accounts. Namra lends mainly 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 6.4 lakh customer active customers.

### Key financial indicators (audited)

	FY2021 (A)	FY2022 (A)	FY2023 (A)	H1FY2024*
<b>Total income</b>	134.0	173.0	331.5	246.9
<b>Profit after tax</b>	4.9	18.5	67.2	65.6
<b>Assets under management</b>	642.4	1,022.0	1,628.0	1,944.9
<b>Gross NPA</b>	4.63%	3.7%	2.8%	2.4%
<b>Net NPA</b>	2.98%	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)		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
					January 19, 2024	August 09, 2023	September 23, 2022	July 28, 2022		
1	MFSL 2022 Lynx	PTC Series A1(a)	28.74	0.00	[ICRA]AA-(SO); Withdrawn	[ICRA]AA-(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	--	--
		PTC Series A1(b)	3.19	0.00	[ICRA]A+(SO); Withdrawn	[ICRA]A+(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	--	--

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
					January 19, 2024	August 09, 2023	September 07, 2022	July 04, 2022		
2	Sheryl 06 2022	PTC Series A1	13.47	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
MFSL 2022 Lynx	PTC Series A1(a)	Moderately Complex
	PTC Series A1(b)	Moderately Complex
Sheryl 06 2022	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
MFSL 2022 Lynx	PTC Series A1(a)	July 2022	13.05%	April 09, 2024	0.00	[ICRA]AA-(SO); Withdrawn
	PTC Series A1(b)	July 2022	13.55%	April 10, 2024	0.00	[ICRA]A+(SO); Withdrawn
Sheryl 06 2022	PTC Series A1	June 2022	12.50%	March 2024	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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