

March 11, 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Namra Finance Limited: Ratings withdrawn for PTCs backed by microfinance loan receivables securitisation transactions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
Victor July 2022	PTC Series A1	18.10	2.25	0.00	[ICRA]AA(SO); Withdrawn
Nimbus 2022 MFI Brampton	PTC Series A1	21.80	4.47	0.00	[ICRA]AA(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under two microfinance loan receivables securitisation transactions originated by Namra Finance Limited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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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
Victor July 2022	Click Here
Nimbus 2022 MFI Brampton	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 ("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

	FY2021	FY2022	FY2023	9MFY2024
	Audited	Audited	Audited	Provisional
Total income	134.0	173.0	331.5	381.3
PAT	4.6	18.5	67.2	97.5
Total managed assets	643.1	1,021.9	1,627.6	2,045.6
Gross NPA	4.13%	3.68%	2.76%	2.79%
CRAR	20.32%	18.78%	25.62%	26.45%

Source: Company's financial statements, ICRA Research; Amount in Rs. crore

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
					Mar 11, 2024	Oct 23, 2023	Oct 03, 2022	Aug 16, 2022		
1	Victor July 2022	PTC Series A1	18.10	0.00	[ICRA]AA(SO); withdrawn	[ICRA]AA(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
					Mar 11, 2024	Oct 23, 2023	Nov 07, 2022	Oct 03, 2022		
2	Nimbus 2022 MFI Brampton	PTC Series A1	21.80	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
Victor July 2022	PTC Series A1	Moderately Complex
Nimbus 2022 MFI Brampton	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
Victor July 2022	PTC Series A1	August 2022	10.50%	April 2024	0.00	[ICRA]AA(SO); withdrawn
Nimbus 2022 MFI Brampton	PTC Series A1	September 2022	10.40%	May 2024	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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Branches



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