Naman 01 2025

Originator: Ugro Capital Limited

November 19, 2025

Instrument	Amount (₹ crore)@	Balance Tenure (months)*	Credit Enhancement (₹ crore)			Rating[1]	Rating Action
			Equity Tranche	Over Collateral	Cash Collateral		
Series A1 PTCs	23.03	20	1.08	3.23	3.23	CARE AA- (SO)	Reaffirmed
Equity Tranche PTCs	1.08		-			CARE A+ (SO)	Reaffirmed

@After October 2025 payout.

*Tenure/door-to-door maturity may change due to prepayments or changes in interest rates.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings of Series A1 PTCs and Equity Tranche PTCs issued by Naman 01 2025 backed by unsecured business loan receivables co-originated by Ugro Capital Limited, at 'CARE AA- (SO)' [pronounced as Double A Minus (Structured Obligation)] and 'CARE A+ (SO)' [pronounced as Single A Plus (Structured Obligation)] respectively.

Reaffirmation in ratings is primarily based on performance of underlying loans in the last nine months post-securitisation, robust legal structure, well-defined payment mechanism, significant build-up in cash collateral (CC), and over collateral (OC) as a percentage of balance amount of pass-through certificates (PTCs), subordination of excess interest spread (EIS), servicing capability and overall performance of AUSFB.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Delinquencies (90+ days past due [DPD]) of less than 2% and sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Build-up of CC of over 2x initial proposed (FLF; as a percentage of the balance principal outstanding [POS]).

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD) of over 5% and sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Utilisation of CC.
- Deterioration in credit profile of the originator and/or origination partner.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

The rating reaffirmation is based on inter alia, observed and expected pool performance, presence of credit enhancement (CE) and adherence to the transaction structure.

Detailed description of key rating drivers

Pool Performance:

The pool has amortised by ~36% in nine months post-securitisation, with nil utilisation of CC. The pool has exhibited low delinquencies. As on October 2025, overdue (OD; as a percentage of initial POS) is 0.67%. The CE available is sufficient to sustain ratings for the balance tenure.

[1]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Pool summary (as of Sep-25 payout)	
Months post-securitisation	9
Pool amortisation	36.47%
30+ delinquency (percentage of the initial pool POS)	3.57%
90+ delinquency (percentage of the initial pool POS)	1.71%
Overdue amount (percentage of the initial pool POS)	0.63%
Cumulative CE [CCE]	97.83%
Cash collateral (percentage of the balance PTC POS)	13.39%
Cumulative prepayments	8.75%

Key strengths:

- CC as a percentage of balance PTC POS is 13.39%, which remains unutilised.
- Pool has performed on expected lines for nine months (post-securitisation) and has amortised by ~36%.
- Well-defined payment mechanism and adherence to the transaction structure.
- The 90+ DPD and overdue in the pool are low at 1.71% and 0.63% respectively (as percentage of initial pool POS) and cumulative collection efficiency of ~98%.

Key weakness:

- Exposed to inherent credit risk associated with unsecured nature of asset class.

Liquidity:

Liquidity - Strong for Series A1 PTCs:

Inherent liquidity in the structure is strong. Interest payouts for Series A1 PTCs are promised monthly, while the principal of Series A1 PTCs is promised to be paid by final legal maturity. In case of delinquencies, payouts are expected to be supported by CE consisting of CC, principal subordination in the form of Equity Tranche PTC, OC and EIS.

Liquidity - Adequate for Equity Tranche PTCs:

Inherent liquidity in structure for the Equity Tranche PTC is adequate and it is supported by OC, CC and EIS.

Key rating assumptions and adequacy of credit enhancement:

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover shortfalls. Since the transaction is sensitive to credit quality of the underlying pool, CareEdge Ratings has analysed the pool performance and overall portfolio performance of the originator. Considering borrower profile and nature of the loan, pool characteristics and portfolio performance, CareEdge Ratings has taken average shortfall from 7.00-8.00% of the POS. Base case shortfalls were stressed along with other key factors such as the timing of shortfalls, the recovery assumptions, and the time to recovery. CareEdge Ratings has found that the CE provided is sufficient to cover shortfalls in a stress scenario commensurate with the assigned rating. Pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayments in the range of 0.50-1.00%.

Key Risks, Concerns and Mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties including trustee, and banker among others.

Applicable criteria

Policy on Default Recognition
CARE Ratings' methodology for asset/mortgage-backed securitisation

About the originator / servicer and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

UCL is a non-banking finance company (NBFC) engaged in financing secured and unsecured loans to micro, small and medium enterprises (MSMEs). It was incorporated in 1993 as Chokhani Securities Limited and was acquired and renamed as UCL in 2018 by Shachindra Nath (Executive Chairman and Managing Director), who has over two decades of experience in the financial services industry. The company has been publicly listed on the Bombay Stock Exchange since 1995 and got listed on the National Stock Exchange in August 2021. Shachindra Nath is supported by seasoned key management personnel each, having expertise of over a decade in their respective functional domains. The company commenced operations in January 2019 and had assets under management (AUM) of ₹12,226 crore as on September 30, 2025. UCL is engaged in unsecured business loan business for over seven years and is an active player in securitisation/bilateral market and as on September 30, 2025, UCL has 25 such live pools with initial size amounting to over ₹816 crore.

Key financial indicators - UCL

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total income	1,082	1,442	883
Profit after tax (PAT)	119	144	77
Assets under management (AUM)	9,047	12,003	12,226
On-book gearing (x)	3.23	3.37	3.28
AUM / Tangible net-worth (TNW) (x)	6.65	6.10	5.13
Gross non-performing assets (NPA) / gross stage 3 (%)	NA	NA	NA
Return on managed assets (ROMA) (%)	2.80	2.40	2.20
Capital adequacy ratio (CAR) (%)	20.75	19.41	25.37

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest financial results available.

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the SPV in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises cash collateral in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. The terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities:

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Pass Through Certificates	-	28-01-2025	9.75	18-08-2029	23.03	CARE AA- (SO)
Pass Through Certificates	-	28-01-2025	0.00	18-08-2029	1.08	CARE A+ (SO)

Annexure-2: Rating history for last three years:

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Pass Through Certificates	LT	23.03	CARE AA-(SO)	-	1)CARE AA-(SO) (21-Mar-25) 2)Provisional CARE AA-(SO) (28-Jan-25)	-	-
2	Pass Through Certificates	LT	1.08	CARE A+ (SO)	-	1)CARE A+ (SO) (21-Mar-25) 2)Provisional CARE A+ (SO) (28-Jan-25)	-	-

LT: Long Term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Pass Through Certificates	Highly complex

Annexure-5: Lender details

Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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