

May 26, 2022

CapFloat Financial Services Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debentures	10.00	-	[ICRA]A-(CE) (Stable); withdrawn

*Instrument details are provided in Annexure-1

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement

Rationale

The rating assigned to the NCD of CapFloat Financial Services Private Limited has been withdrawn at the request of the company as there is no amount outstanding against the rated NCD and in accordance with ICRA's policy on withdrawal and suspension of credit rating. ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy on withdrawal of credit ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

CapFloat (previously Zen Lefin Pvt. Ltd.) is a non-deposit taking non-banking financial company (NBFC-ND) registered with the Reserve Bank of India (RBI). It primarily lends to SMEs and retail customers. It was started in 2013 by co-founders, Mr. Sashank Rishyasringa and Mr. Gaurav Hinduja, and has raised funds from ASPADA, Sequoia, SAIF Partners, Amazon and Creation Investments among others.

CapFloat is a part of the evolving fintech industry and targets borrower segments which are difficult to access by traditional banks. The use of technology helps to reduce the turnaround time and facilitates the underwriting of borrowers based on nontraditional data points from the online space like social media, e-commerce sites, etc.

Key financial indicators (audited)

	FY2019	FY2020	FY2021	H1 FY2022
Total income (excluding gain on assignment of loans)	190	210	127	62
Profit after tax	(119)	(130)	(126)	(39)
Assets under management	1,404	1,031	681	593
% Gross NPAs	4.8%	2.1%	3.9%	4.4%
% Net NPAs	0.7%	0.6%	1.6%	2.2%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

Current Rating (FY2023)					Chronology of Rating History for the Past 3 Years			
	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					May 26, 2022	May 13, 2021	Jan 07, 2021*	--
1	NCD	LT	10.00	0.00	[ICRA]A-(CE) (Stable); Withdrawn	[ICRA]A-(CE) (Stable)	Provisional [ICRA]A-(CE) (Stable)	--

For details on other ICRA-rated instruments of the company, refer to the rationale [here](#)

Complexity level of the rated instrument

Instrument	Complexity Indicator
NCD	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 analyzing 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 are available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
INE491W07097	NCD	Dec 31, 2020	12.75%*	Feb 28, 2023	10.00	[ICRA]A- (CE) (Stable); withdrawn

* Additionally, step-up interest of 2.0% is applicable from date of issuance in case of trigger event

Source: Company

Annexure-2: List of entities considered for consolidated analysis

Company Name	Capfloat Ownership	Consolidation Approach
Not Applicable	Not Applicable	Not Applicable

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About ICRA Limited:

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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