

March 16, 2023

Lendingkart Finance Limited: Ratings withdrawn for PTCs backed by unsecured small business loan receivables securitisation transactions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
NA 2021 SBL Creed	Series A1 PTC	27.10	3.68	0.00	[ICRA]AA(SO); Withdrawn
	Series A2 PTC	0.46	0.46	0.00	[ICRA]AA(SO); Withdrawn
Indigo 004	PTC Series A1	23.82	7.47	0.00	[ICRA]A+(SO); Withdrawn
CredAvenue Harding 03 2021	PTC Series A2	1.27	1.23	0.00	[ICRA]AA+(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under the aforesaid transactions which are backed by pools of unsecured small business loans by originated by Lendingkart Finance Limited (Lendingkart/Originator; rated [ICRA]BBB+(Stable)). 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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:

1. NA 2021 SBL Creed: [Click here](#)
2. Indigo 004: [Click here](#)
3. CredAvenue Harding 03 2021: [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

Lendingkart provides unsecured small and medium-sized enterprise (SME) loans. Lendingkart Technologies Private Limited (LTL), the technology arm of the Ahmedabad-based Lendingkart Group, holds a 100% stake in Lendingkart. Fullerton Financial Holdings Pte Limited (FFH) had a 39.15% stake in LTPL as on March 31, 2022. The Group was started in 2014 by one of the co-founders, Mr. Harshvardhan Lunia, and raised funds from FFH, Saama Capital, Mayfield India, India Quotient, Bertelsmann India Investments, Sistema Asia Fund and Darrin Capital Management.

The Lendingkart Group is a part of the rapidly evolving fintech industry and it leverages technology to underwrite credit to extend loans to the SME segment, which distinguishes its algorithm-driven credit capabilities from the physical credit underwriting performed by various industry players. Loans are given to micro and small enterprises for meeting their working capital needs. The underwriting is based on the scoring by a proprietary algorithm.

Key financial indicators

Lendingkart (standalone)	FY2020	FY2021	FY2022
Total income	464	510	639
Profit after tax	30	18	(141)
Total managed assets	2,601	2,832	3,721
Gross stage 3	2.2%	2.5%	3.9%
Net stage 3	1.0%	0.9%	1.6%

Amount in Rs. crore

Source: Company, ICRA Research; All ratios as per ICRA's calculations

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 (FY2023)		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	Date & Rating in FY2020
					Mar 16, 2023	Nov 25, 2022	Nov 18, 2021^	Sep 28, 2021*	-	-
1	NA 2021 SBL Creed	Series A1 PTC	27.10	0.00	[ICRA]AA(SO); Withdrawn	[ICRA]AA(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-
		Series A2 PTC	0.46	0.00	[ICRA]AA(SO); Withdrawn	[ICRA]AA(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-

Sr. No.	Trust Name	Instrument	Current Rating (FY2023)		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	Date & Rating in FY2020
					Mar 16, 2023	Oct 31, 2022	Apr 07, 2022^	Mar 31, 2022*	-	-
2	Indigo 004	PTC Series A1	23.82	0.00	[ICRA]A+(SO); Withdrawn	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-

Sr. No.	Trust Name	Instrument	Current Rating (FY2023)		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	Date & Rating in FY2020
					Mar 16, 2023	Sep 30, 2022	Feb 24, 2022	Jul 02, 2021^	Mar 19, 2021	-
3	CredAvenue Harding 03 2021	PTC Series A2	1.27	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]AA-(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-

*Provisional rating assigned

^ Provisional rating finalized

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
NA 2021 SBL Creed	Series A1 PTC	Moderately Complex
	Series A2 PTC	Moderately Complex
Indigo 004	PTC Series A1	Moderately Complex
CredAvenue Harding 03 2021	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

ISIN	Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
-	NA 2021 SBL Creed	Series A1 PTC	September 2021	10.50%	February 2024	0.00	[ICRA]AA(SO); Withdrawn
		Series A2 PTC	September 2021	14.50%	February 2024	0.00	[ICRA]AA(SO); Withdrawn
INEOLAM15012	Indigo 004	PTC Series A1	March 2022	10.11%	March 2024	0.00	[ICRA]A+(SO); Withdrawn
-	CredAvenue Harding 03 2021	PTC Series A2	March 2021	15.00%	April 2023	0.00	[ICRA]AA+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Gaurav Mashalkar

+91 22 6114 3431

gaurav.mashalkar@icraindia.com

Nemish Shah

+91 22 6114 3456

nemish.shah@icraindia.com

Vishal Oza

+91 22 6114 3432

vishal.oza@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6169 3304

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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