

November 22, 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Lendingkart Finance Limited: Ratings withdrawn for PTCs backed by unsecured small business loan receivables securitisation transactions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
SBL Rudolph 2021	Series A1 PTC	41.10	8.62	0.00	[ICRA]A+(SO); Withdrawn
SBL ELF 2021	Series A1 PTC	17.95	4.66	0.00	[ICRA]A(SO); Withdrawn
Nimbus 2022 SBL Perth	PTC Series A1	24.88	2.81	0.00	[ICRA]AA(SO); Withdrawn
	PTC Series A2	1.02	1.02	0.00	[ICRA]AA(SO); Withdrawn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ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under unsecured small business loan receivables securitisation transactions originated by Lendingkart Finance Limited (Lendingkart/Originator; rated [ICRA]BBB+(Positive)). 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn.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 rationale of previous rating exercise are available at the following links:

1. SBL Rudolph 2021: [Click here](#)
2. SBL ELF 2021: [Click here](#)
3. Nimbus 2022 SBL Perth: [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 Finance Limited (formerly Aadri Infin Limited) is a Lendingkart Group company, which is registered as a non-banking financial company (NBFC) and provides unsecured small and medium-sized enterprise (SME) loans. Lendingkart Technologies Private Limited (LTPL), the technology arm of the Ahmedabad-based Lendingkart Group, holds a 100% stake in Lendingkart. Fullerton Financial Holdings Pte Limited had a 38.16% stake in LTPL as on March 31, 2023. The Group was established 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. 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 (standalone; audited)

	FY2022	FY2023	Q1 FY2024*
Total income	639	824	242
Profit after tax (PAT)	(141)	116	26
Total managed assets	3,284	4,978	5,492
Gross stage 3	3.9%	2.6%	2.7%
Net stage 3	1.6%	1.4%	1.8%

Source: Lendingkart, ICRA Research; All ratios as per ICRA's calculations; *Unaudited
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	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	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
					Nov 22, 2023		Jan 23, 2023			
1	SBL Rudolph 2021	Series A1 PTC	41.10	0.00	[ICRA]A+(SO); Withdrawn		[ICRA]A+(SO)		Mar 22, 2022^	Jan 03, 2022*
									Provisional [ICRA]A+(SO)	-

*Provisional rating assigned

^ Provisional rating finalised

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	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
					Nov 22, 2023		Dec 15, 2022	Mar 22, 2022^	Jan 04, 2022*	
2	SBL ELF 2021	Series A1 PTC	17.95	0.00	[ICRA]A(SO); Withdrawn		[ICRA]A(SO)		[ICRA]A(SO)	Provisional [ICRA]A(SO)
										-

*Provisional rating assigned

^ Provisional rating finalised

Sr. No.	Trust Name	Current Rating (FY2024)					Chronology of Rating History for the Past 3 Years			
		Instrument	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
					Nov 22, 2023	May 26, 2023	Jun 10, 2022^	Apr 04, 2022*		
3	Nimbus 2022 SBL Perth	PTC Series A1	24.88	0.00	[ICRA]AA(SO); Withdrawn	[ICRA]AA(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-	-
		PTC Series A2	1.02	0.00	[ICRA]AA(SO); Withdrawn	[ICRA]AA(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-

*Provisional rating assigned

^ Provisional rating finalised

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
SBL Rudolph 2021	Series A1 PTC	Moderately Complex
SBL ELF 2021	Series A1 PTC	Moderately Complex
Nimbus 2022 SBL Perth	PTC Series A1	Moderately Complex
	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

Sr. No.	Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
1	SBL Rudolph 2021	Series A1 PTC	December 2021	10.20%	May 2024	0.00	[ICRA]A+(SO); Withdrawn
2	SBL ELF 2021	Series A1 PTC	December 2021	12.75%	May 2024	0.00	[ICRA]A(SO); Withdrawn
3	Nimbus 2022 SBL Perth	PTC Series A1	March 2022	10.30%	August 2024	0.00	[ICRA]AA(SO); Withdrawn
		PTC Series A2		14.00%		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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