

August 02, 2024

Lendingkart Finance Limited: Rating withdrawn for SNs backed by pool of unsecured small business loan receivables

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SBL Sparklers 2022	SN Series A1	49.94	13.49	0.00	[ICRA]AA-(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for securitisation notes (SNs) issued under unsecured small business loan receivables securitisation transaction originated by Lendingkart Finance Limited (Lendingkart/Originator; rated [ICRA]BBB+(Stable)). All the payouts to the investor in the above-mentioned instrument has 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liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationales of previous rating exercise is available at the following link: [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 an NBFC and provides unsecured SME loans. Lendingkart Technologies Private Limited (LTPL) is the technology arm of the Ahmedabad-based Lendingkart Group and holds 100% stake in LFL. The Group was started in 2014 by co-founders, Mr. Harshvardhan Lunia and Mr. Mukul Sachan, and raised funds from Fullerton Financial Holdings (FFH), Saama Capital, Mayfield India, India Quotient, Bertelsmann India Investments, Sistema Asia Fund and Darren Capital Management. The Lendingkart Group is a part of the evolving fintech industry, and it leverages technology to underwrite credit to the SME segment, which is difficult for traditional banks and NBFCs to access. Loans are given to microenterprises for meeting their working capital needs. The underwriting is based on the scoring by a proprietary algorithm.

Key financial indicators (standalone)

	FY2022	FY2023	FY2024
	Audited	Audited	Audited
Total income	639	824	1,146
Profit after tax	(141)	116	60
Total Managed assets	3,908	6,007	8,631
Gross stage 3	3.9%	2.6%	2.9%
CRAR	25.9%	34.2%	21.5%*

Source: Lendingkart, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore

*The reduction in Tier I was on account of the recent FAQs issued by the RBI in April 2024 on 'Default Loss Guarantee in Digital Lending', whereby the FLDG provided to the co-lending partners is to be reduced from the Tier I capital

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 (FY2025)		Chronology of Rating History for the Past 3 Years			
			Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
				August 02, 2024	November 30, 2023	December 22, 2022	October 31, 2022	-
1	SBL Sparklers 2022	SN Series A1	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
SBL Sparklers 2022	SN 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	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
SBL Sparklers 2022	SN Series A1	October 2022	11.20%	April 2025	0.00	[ICRA]AA-(SO); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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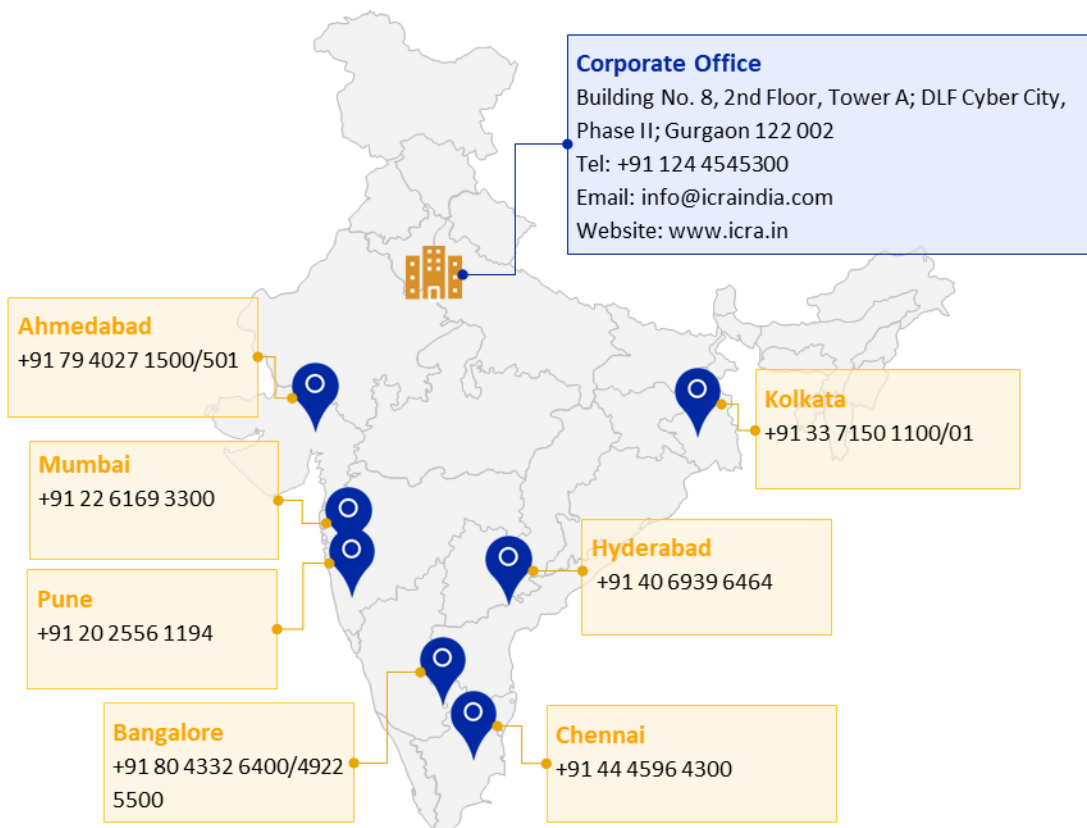
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