September 01, 2025

Ascend Bizcap Private Limited: Provisional ratings assigned to PTCs backed by electric three-wheeler loan receivables issued by Magnetron Aug 2025

Summary of rating action

Trust name	Instrument*	Rated amount (Rs. crore)	Rating action
Magnetron Aug 2025	Series A1(a) PTC	4.69	Provisional [ICRA]A-(SO); assigned
	Series A1(b) PTC	4.69	Provisional [ICRA]A-(SO); assigned
	Series A2 PTC	0.23	Provisional [ICRA]BBB+(SO); assigned

**Instrument details are provided in Annexure I*

Rating in the absence of pending actions/documents	No rating would have been assigned as it would not be meaningful

Rationale

The pass-through certificates (PTCs) are backed by a pool of electric three-wheeler (EV-3W; in the form of E-autos/loaders/L5 product) loan receivables originated by Ascend Bizcap Private Limited {ABPL/Originator; rated [ICRA]BBB- (stable)} with an aggregate principal outstanding of Rs. 11.58 crore (pool receivables of Rs. 14.82 crore). ABPL would be acting as the servicer for the rated transaction.

The provisional rating is based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The provisional rating is subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises promised interest payouts to Series A1(a) PTC and Series A1(b) PTC on a pari passu basis and the principal is expected to be paid to Series A1(a) PTC only, on a monthly basis (100% of the pool principal billed) for the initial three payouts. From the fourth payout onwards, the principal is expected to be paid to Series A1(a) PTC and Series A1(b) PTC, till their full redemption to the extent of 50% of the pool billing for each of the Series A1(a) PTC and Series A1(b) PTC. After full redemption of Series A1 PTC, monthly cash flow schedule comprises promised interest and expected principal payout to Series A2 PTC till its full redemption. After full redemption of Series A2 PTC, monthly cash flow schedule comprises expected principal payouts to Equity Tranche. The entire principal repayment to all tranches is promised only on the final maturity date of the respective tranches. Any surplus excess interest spread (EIS), after meeting the expected and promised PTC payments, will flow back to the Originator on a monthly basis.

Any prepayment amounts would be passed on to Series A1(a) PTC for the initial three payouts. Post initial three payouts, the prepayment amounts would be passed on to Series A1(a) PTC and Series A1(b) PTC equally till complete redemption. After full redemption of Series A1 PTC, the prepayment will be utilized to redeem Series A2 PTC till its full redemption, and then towards redeeming equity tranche till its full redemption.

However, on the occurrence of predefined trigger event, the 100% residual EIS every month shall be utilised for accelerating the principal payment due to Series A1(a) PTC and Series A1(b) PTC on equal basis, followed by principal payment to Series A2 PTC and then Equity tranche, till the PTCs are live. The event is triggered when Portfolio at risk (PAR)>90 of the pool exceeds more than 5% of the pool principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 3.00% of the initial pool principal, amounting to Rs. 0.35 crore, to be provided by the Originator, (ii) principal subordination of 18.98% of the initial pool principal for Series A1(a) PTC and Series A1(b) PTC, and 16.97% of the initial pool principal for Series A2 PTC, and (iii) the EIS of 18.90% of the pool principal for Series A1(a) PTC and Series A1(b) PTC and 18.44% for Series A2 PTC.

Key rating drivers and their description

Credit strengths

Granular pool with available credit enhancement – The pool is granular, consisting of 464 contracts, with top 10 borrowers forming less than 6.5% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

No overdue contracts in the pool – The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Further, ~98% of the pool principal have contracts which have never been delinquent post loan disbursement, thereby reflecting the borrowers' relatively better credit profile, which is a credit positive

Seasoned contracts in the pool – The pool has moderate amortisation of ~20% as on the cut-off date thereby reflecting buildup of borrower equity to an extent.

Credit challenges

Limited track record – ABPL is a relatively new entrant in the non-banking financial company (NBFC) and digital lending space. It provides finance to the underserved customers in tier 2 and 3 cities by offering them loans for purchase of new commercial electric vehicles (EVs) and batteries. It started disbursement of E-auto /E-loaders (asset class in the pool) in January 2024. Thus, the scale of operation remains modest with limited seasoning.

High geographical concentration – The pool has high geographical concentration with the top 2 states, viz Uttar Pradesh and Delhi, contributing ~88% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc

Risks associated with lending business – The pool's performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 6.25% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

Liquidity position:

Strong for Series A1(a) PTC and Series A1(b) PTC

The liquidity for the PTC instrument is strong after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~5.00 times the estimated loss in the pool for both the PTC.

Strong for Series A2 PTC

The liquidity for the PTC instrument is strong after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~4.5 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The rating could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the credit enhancement cover for the remaining payouts.

Negative factors – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

Analytical approach

The rating action is based on the analysis of the performance of ABPL's EV-3W (L5) loan portfolio for the till July 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Legal opinion
4. Trustee letter
5. Auditor's certificate
6. Any other documents executed for the transaction

Validity of the provisional rating

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the originator

ABPL, a non- deposit accepting non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI), was incorporated in June 2019 and is based in Jaipur (Rajasthan). It was founded by Mr. Lokesh Chandra (having prior experience in financial services) and Mr. Gaurav Maheswari (having prior experience in tech-driven risk modelling).

ABPL is a majority-owned subsidiary of LCGM Technologies Private Limited (LCGM), which previously housed the technology platform and is majority held by the two founders of ABPL. As on June 30, 2025, LCGM held a 50% stake in ABPL on a fully diluted basis followed by Info Edge Capital (25%) and Asha Ventures (25%).

The company reported a profit after tax (PAT) of Rs. 1.6 crore on total income of Rs. 21.8 crore in FY2025 compared to Rs. 0.1 crore and Rs. 13.7 crore, respectively, in FY2024. Its net worth stood at Rs. 60.2 crore with a managed gearing of 1.4x as on March 31, 2025 compared to Rs. 25.6 crore and 2.2x, respectively, as on March 31, 2024. The gross and net non-performing assets (NPAs) stood at 1.74% and 1.57%, respectively, as on March 31, 2025 compared to 3.04% and 2.74%, respectively, as on March 31, 2024.

ABPL reported a profit after tax (PAT) of Rs. 2.2 crore on total income of Rs. 10.4 crore in Q1 FY2026. Its net worth stood at Rs. 62.1 crore with a managed gearing of 1.7x as on June 30, 2025. The gross and net NPAs stood at 1.40% and 1.26%, respectively, as on June 30, 2025.

Exhibit 1. Key Financial Indicators (audited)

	FY2024	FY2025	Q1FY2026*
Total income	13.7	21.8	10.4
Profit after tax	0.1	1.6	2.2
Total managed assets	88.3	163.7	189.8
Gross NPA	3.0%	1.7%	1.4%
CRAR	63.6%	41.0%	37.0

*Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; *Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Current rating (FY2026)			Chronology of rating history for the past 3 years		
	Instrument	Amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
			September 01, 2025	-	-	-
Magnetron Aug 2025	**Series A1(a) PTC**	4.69	**Provisional [ICRA]A-(SO)**	-	-	-
	Series A1(b) PTC	4.69	**Provisional [ICRA]A-(SO)**			
	Series A2 PTC	0.23	**Provisional [ICRA]BBB+(SO)**			

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1(a) PTC	Moderately Complex
Series A1(b) PTC	Moderately Complex
Series A2 PTC	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 are available on ICRA's website: Click here

Annexure I: Instrument details

Trust name	Instrument name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
Magnetron Aug 2025	**Series A1(a) PTC**	August 29, 2025	11.50%	July 28, 2028	4.69	Provisional [ICRA]A-(SO)
	Series A1(b) PTC		11.50%		4.69	Provisional [ICRA]A-(SO)
	Series A2 PTC		12.50%		0.23	Provisional [ICRA]BBB+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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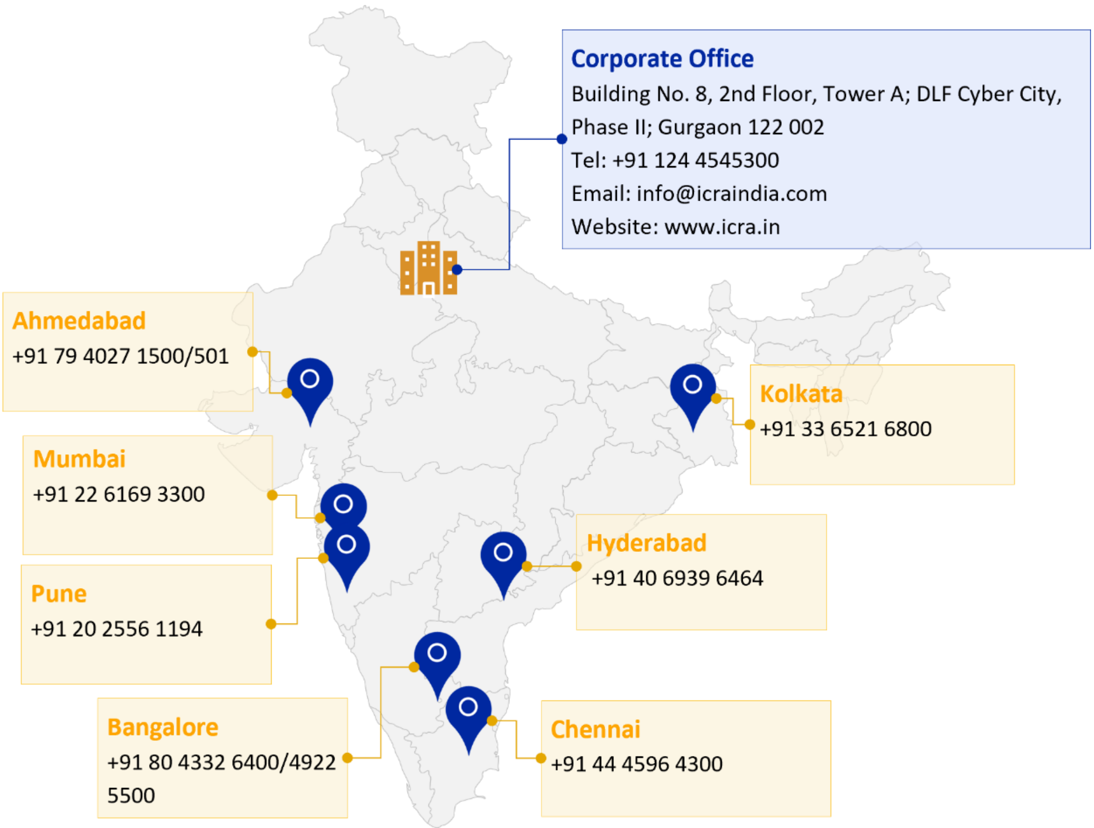

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