September 05, 2025

Ascend Bizcap Private Limited: Ratings confirmed as final for PTCs backed by electric three-wheeler loan receivables issued by Magnetron Aug 2025

Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
Magnetron Aug 2025	Series A1(a) PTC	4.69	[ICRA]A-(SO); provisional rating confirmed as final
	Series A1(b) PTC	4.69	[ICRA]A-(SO); provisional rating confirmed as final
	Series A2 PTC	0.23	[ICRA]BBB+(SO); provisional rating confirmed as final

**Instrument details are provided in Annexure I*

Rationale

ICRA had assigned provisional rating to Series A1(a) PTC, Series A1(b) PTC and Series A2 PTC issued by Magnetron Aug 2025 under a securitisation transaction originated by Ascend Bizcap Private Limited (ABPL/Originator). The 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 ABPL with an aggregate principal outstanding of Rs. 11.58 crore (pool receivables of Rs. 14.82 crore). ABPL also acts as the servicer for the transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said rating has now been confirmed as final.

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, 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.

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 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.

Details of key counterparties

The key counterparties in the rated transaction are as mentioned below:

Transaction Name	Magnetron Aug 2025
Originator	Ascend Bizcap Private Limited.
Servicer	Ascend Bizcap Private Limited.
Trustee	MITCON Credentia Trusteeship Services Limited
CC holding bank	AU Small Finance Bank
Collection and payout account Bank	ICICI Bank Limited

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 trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

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

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; 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	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023
				September 05, 2025	September 01, 2025	-	-	-
Magnetron Aug 2025	Series A1(a) PTC	4.69	4.69	**[ICRA]A-(SO)**	Provisional [ICRA]A-(SO)	-	-	-
	Series A1(b) PTC	4.69	4.69	**[ICRA]A-(SO)**	Provisional [ICRA]A-(SO)			
	Series A2 PTC	0.23	0.23	**[ICRA]BBB+(SO)**	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

ISIN	Trust name	Instrument name	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
INE2GPJ15012	**Magnetron Aug 2025**	**Series A1(a) PTC**	August 29, 2025	11.50%	July 28, 2028	4.69	[ICRA]A-(SO)
INE2GPJ15020		**Series A1(b) PTC**		11.50%		4.69	[ICRA]A-(SO)
Not applicable		**Series A2 PTC**		12.50%		0.23	[ICRA]BBB+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Saggar
+91 124 4545 316
manushrees@icraindia.com

Sachin Joglekar
+91 22 6114 3470
sachin.joglekar@icraindia.com

Himanshi Doshi
+91 22 6114 3410
himanshi.doshi@icraindia.com

Vishal Oza
+91 22 6114 3472
vishal.oza2@icraindia.com

Shruti Jain
+91 22 6114 3414
shruti.jain2@icraindia.com

RELATIONSHIP CONTACT

Mr. 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

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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

ICRA Limited

Registered Office

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

Branches