

April 23, 2026

Lok Suidha Finance Limited: Rating upgraded for PTCs issued under two-wheeler and E-rickshaw loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial amount rated (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current amount rated (Rs. crore)	Rating action
Noddy 2024	Series A1 PTC	17.91	NA	1.90	[ICRA]A-(SO); upgraded from [ICRA]BBB+(SO)

*Instrument details are provided in Annexure II

Rationale

The pass-through certificates (PTCs) are backed by a pool of two-wheeler and E-rickshaw loan receivables originated by Lok Suidha Finance Limited {LSFL/Originator; rated [ICRA]BBB- (Negative)}. LSFL is also the servicer for the rated transaction.

The rating has been upgraded on account of the build-up of the credit enhancement cover over the future PTC payouts. The rating draws comfort from the fact that the breakeven collection efficiency is comfortably lower compared to the actual collection levels observed in the pool till the March 2026 payout month.

Pool performance summary

Parameters	Noddy 2024
Payout month	March 2026
Months post securitisation	16
Pool amortisation	81.4%
Series A1 PTC amortisation	89.4%
Cumulative collection efficiency ¹	93.3%
Monthly collection efficiency	89.1%
Loss-cum-30+ dpd ² (% of initial pool)	5.7%
Loss-cum-90+ dpd ² (% of initial pool)	4.0%
Cumulative cash collateral (CC) utilisation	0.0%
CC available (as % of balance pool)	26.9%
Excess interest spread (EIS ³ ; % of balance pool): Series A1 PTC	7.5%
Principal subordination (% of balance pool): Series A1 PTC	48.5%

¹ (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdue at the start of the transaction)

² Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 30 days, as a % of Initial pool principal

² Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 90 days, as a % of Initial pool principal

³ (Pool cash flows – Cash flows to PTC investors – Originator's residual share)/Pool principal outstanding

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the Series A1 PTC principal. However, on the occurrence of predefined trigger events, the 100% residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC.

Key rating drivers and their description

Credit strengths

Build-up of credit enhancement – The rating reaffirmation factors in the build-up in the credit enhancement on account of amortisation of pool with cash collateral increasing to ~27% of the balance pool as on March 2026 payout month compared to 5.00% at the time of initial rating exercise. Further internal credit support is also available through excess interest spread (EIS) in the transaction.

Moderate pool performance – The performance of pool has been moderate with cumulative collection efficiency of above 93% and resultant moderate delinquencies in the pool with the 90+ days past due (dpd) remaining ~4.0% as on March 2026 payout month.

Servicing capability of the originator – The company has adequate track record for servicing the loan accounts in the two-wheeler and electric vehicle segment. It has demonstrated track record of collections and recovery across a wide geography and multiple economic cycles.

Credit challenges

Risks associated with lending business – The pools' 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 their tenure at 2.50% of the initial pool principal with certain variability around it. The average prepayment rate for the pool is modelled in the range of 2.4% to 9.0% 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 follows:

Transaction name	Noddy 2024
Originator	Lok Suvidha Finance Limited
Servicer	Lok Suvidha Finance Limited
Trustee	Mitcon Credentia Trusteeship Services Limited
CC holding Bank	ICICI Bank Limited
Collection and payout Bank	ICICI Bank Limited

Liquidity position: Strong

The liquidity for PTC Series A is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be 5.75 times the estimated loss in the pool.

Rating sensitivities

Positive/Negative factors – Rating is unlikely to be revised given the shorter expected balance tenure of the PTCs.

Analytical approach

The rating action is based on the performance of the pool till the March 2026 payout month (February 2026 collection month), the present delinquency profile of the pool, the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

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

About the originator

Lok Suvidha Finance Limited (LSFL), incorporated in FY2008, is a Nagpur-based public, unlisted, non-deposit taking NBFC registered with the Reserve Bank of India (RBI). The company is promoted by Mr. Nimish Laddhad, who is currently its Managing Director. It primarily finances 2Ws and also provides e-rickshaw loans.

As on December 31, 2025, the company's assets under management (AUM) stood at Rs. 572 crore. Its operations are concentrated in a few states: Madhya Pradesh (52%), Maharashtra (23%) and Uttar Pradesh (14%).

Key financial indicators (Standalone; audited)

LSFL	FY2024	FY2025	9MFY2026*
Total income	66.6	94.7	82.4
Profit after tax	5.1	4.7	4.9
Total managed assets	419.5	510.0	580.0
Gross NPA**	-	2.2%	3.1%
CRAR	25.0%	19.3%	35.0%

Source: Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. Crore, *9MFY2026 financials are provisional; **LSFL recognizes non-performing advances (NPAs) at 180+dpd and write-offs at 180+, resulting in nil gross and net NPAs

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Instrument	Current rating (FY2027)		Chronology of rating history for the past 3 years			
		Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
				April 23, 2026	April 10, 2025	December 30, 2024	-
Noddy 2024	Series A1 PTC	17.91	1.90	[ICRA]A-(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%)These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Series A1 PTC	Highly 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 II: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
Noddy 2024	Series A1 PTC	December 24, 2024	12.75%	January 27, 2028	1.90	[ICRA]A-(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Sagar

+91 124 4545 316

manushrees@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Anubhav Agrawal

+91 22 6114 3439

anubhav.agrawal@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

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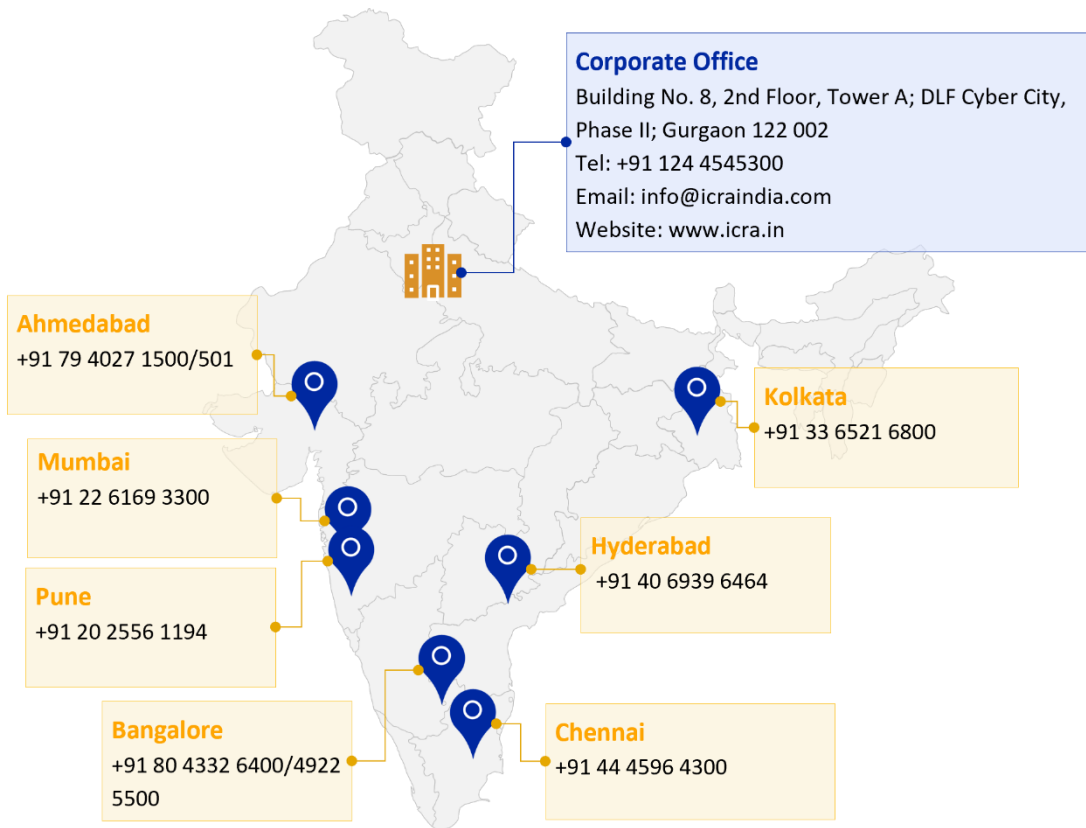
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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