

May 08, 2026

Lendingkart Finance Limited: Rating confirmed as final for SNs backed by unsecured small business loan receivables issued by SBL Ron26

Summary of rating action

Trust Name	Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
SBL Ron26	SN Series A1	40.86	40.73	[ICRA]AA-(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure II

Rationale

In January 2026, ICRA had assigned a Provisional [ICRA]AA-(SO) rating to the Securitisation Notes (SNs) Series A1 issued under a securitisation transaction originated by Lendingkart Finance Limited {Lendingkart; rated [ICRA]AA-(Stable)/[ICRA]A1+}. Subsequently there has been a revision in the pool size to Rs. 45.25 crore and thus the SN Series A1 amount has reduced to Rs. 40.73 crore from Rs. 40.86 crore earlier. The SNs are backed by receivables from a Rs. 55.23-crore (pool principal amount of Rs. 45.25 crore) pool of unsecured small business loans (SBLs). Lendingkart would be acting 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.

Pool performance summary

Parameter	SBL Ron26
Payout month	April 2026
Months post securitisation	3
Pool amortisation	16.66%
SN Series A1 amortisation	22.34%
Cumulative prepayment rate	3.19%
Cumulative collection efficiency	98.66%
Loss cum 0+ dpd	2.00%
Loss cum 30+ dpd	0.89%
Loss cum 90+ dpd	0.45%
Cumulative cash collateral utilisation	0.00%

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout and promised principal payout (to the extent of 90% of the pool principal billed). The balance principal is promised on the maturity date for SN Series A1. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will be passed to the SN Series A1 investor on a monthly basis. Any prepayment in the pool would be used for the prepayment of SN Series A1 principal.

The credit enhancement available in the structure is in the form of (i) a credit collateral (CC) of 10.00% of the initial pool principal, split into cash collateral of 6.00% of the initial pool principal (Rs. 2.72 crore to be provided by the Originator) and unconditional and irrevocable corporate guarantee of 4.00% of the initial pool principal (Rs. 1.82 crore to be provided by the

Originator), (ii) principal subordination of 10.00% of the initial pool principal for SN Series A1 and (iii) the excess interest spread (EIS) of 16.1% of the initial pool principal for SN Series A1.

Key rating drivers and their descriptions

Credit strengths

Granular pool supported by presence of credit enhancement – The pool is granular, consisting of 461 contracts, with top 10 contracts forming only ~5.9% 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 SN 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, none of the contracts in the pool have never been delinquent, which is credit positive.

Seasoned contracts in the pool – The pool has amortised by almost ~39% as on the cut-off date with no delinquencies seen in any of the contracts, post loan disbursement, thereby reflecting the borrowers’ relatively better credit profile.

Adequate servicing capability of the originator – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has a demonstrated track record of over a decade of regular collections across multiple geographies.

Credit challenges

Higher share of high-interest rate contracts – Around 49% (in terms of the principal amount outstanding on the cut-off date) of the contracts in the pool had an interest rate of more than 24%. Contracts with a high rate of interest are considered riskier as they usually indicate the weaker credit profile of the borrower.

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. The pool is exposed to the inherent credit risk associated with the unsecured nature of the asset class and that recovery from delinquent contracts tends to be lower.

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 5.25% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 6% to 18% 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

	SBL Ron26
Originator	Lendingkart Finance Limited (Lendingkart)
Servicer	Lendingkart Finance Limited (Lendingkart)

Trustee	Catalyst Trusteeship Limited
CC Holding Bank	ICICI Bank Limited
CG provider	Lendingkart Finance Limited (Lendingkart)
Collection payout Account Bank	ICICI Bank Limited

Liquidity position: Superior

The liquidity for SN Series A1 is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~6.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The rating could be upgraded on the sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and on an increase in the cover available for future investor payouts from the credit enhancement along with an improvement in the credit profile of Lendingkart.

Negative factors – The rating could be downgraded on the sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and CE utilisation levels. The rating could also be downgraded on a deterioration in the credit profile of Lendingkart.

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	Rating Methodology for Securitisation Transactions
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Lendingkart Finance Limited (LFL) is a Lendingkart Group company, which is registered as a non-banking financial company (NBFC) and provides unsecured small and medium enterprise (SME) loans. Loans are given to micro and small enterprises to meet their business requirements. Lendingkart Technologies Private Limited (LTPL) holds a 100% stake in LFL. FFH had a ~77% stake in LTPL through FFPL as on November 30, 2025. The Group was established in 2014 and raised funds primarily from FFH, Saama Capital, Mayfield India, India Quotient, Bertelsmann India Investments, Sistema Asia Fund and Darrin Capital Management.

Key financial indicators (standalone)

LFL (standalone)	FY2024	FY2025	H1 FY2026 [#]
Total income	1,146	867	219
Profit / (loss) after tax	60	(288)	(162)
Total managed assets	8,690	6,253	4,329
Gross stage 3	2.9%	4.4%	3.2%
CRAR	21.5%	35.7%	37.7%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; [#]Unaudited

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 (FY2027)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2027		Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
					May 08, 2026		Jan 14, 2026	-	-
1	SBL Ron26	SN Series A1	40.86	40.73	[ICRA]AA-(SO)		Provisional [ICRA]AA-(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
SN Series A1	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 Name	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
SBL Ron26	SN Series A1	January 31, 2026	9.75%	April 20, 2028	40.73	[ICRA]AA-(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not Applicable

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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.

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