

July 23, 2024

Clix Capital Services Private Limited: Rating upgraded for PTCs issued under a personal loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Amount after June-24 Payout (Rs. crore)	Rating Action
Nimbus 2022 PL Veneno	PTC Series A	28.99	9.33	0.96	[ICRA]AAA(SO); Upgraded from [ICRA]AA+(SO)

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by personal loan receivables originated by Clix Capital Services Private Limited (Clix / Originator). The rating upgrade is on account of the high amortisation of the pool which has led to the build-up of the credit enhancement cover over the future PTC payouts. As on June 2024 payout, the cash collateral (CC) was fully covering the balance PTC payouts to be done to the investors.

Pool performance summary

Parameter	Nimbus 2022 PL Veneno
Payout month	June 2024
Months post securitisation	27
Pool amortisation	87.3%
PTC amortisation	96.7%
Cumulative collection efficiency	94.1%
Cumulative prepayment rate	25.2%
Loss-cum-30+ dpd (% of initial pool principal) ¹	6.8%
Loss-cum-90+ dpd (% of initial pool principal) ²	6.4%
Cumulative CC utilisation	0.0%
CC available (as % of balance pool principal)	86.8%
EIS over balance tenure (as % of balance pool principal)	11.9%
Principal subordination (% of balance pool principal)	76.3%
Breakeven collection efficiency	nil

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises of 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 PTC Series A principal.

¹ Principal outstanding (POS) on contracts aged 30+ days past due + overdues / Initial POS on the pool

² POS on contracts aged 90+ days past due + overdues / Initial POS on the pool

Key rating drivers

Credit strengths

Substantial credit enhancement available in the structure – The rating factors in the build-up in the credit enhancement with the CC fully covering the future PTC payouts to the investors, on account of significant pool and PTC amortisation.

Pool performance in line with ICRA's estimates – Performance of the pool and delinquency levels have been in line with ICRA's estimates with cumulative collection efficiency of ~94% till June 2024 payout month.

Credit challenges

Not applicable

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.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction Name	Nimbus 2022 PL Veneno
Originator	Clix Capital Services Private Limited
Servicer	Clix Capital Services Private Limited
Trustee	Catalyst Trusteeship Limited
CC holding Bank	DCB Bank
Collection and payout account Bank	DCB Bank

Liquidity position: Superior

The liquidity is superior since the available CC fully covers the balance PTC payouts.

Rating sensitivities

Positive factors – Not Applicable.

Negative factors – The rating is unlikely to change as the CC covers the entire balance PTC payouts.

Analytical approach

The rating action is based on the performance of the pool till June 2024 payout month (May 2024 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	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Clix Capital Services Private Limited (Clix) is a non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). It provides retail financing products (personal loans, business loans, micro, small and medium enterprise (MSME), housing finance, etc). The company, which was incorporated as GE Money Financial Services Pvt Ltd (GE Money) in 1994, formed the non-banking business of the General Electric (GE) Group along with its Group company – GE Capital Services India (GE Capital). In September 2016, this business was acquired by a consortium comprising AION Capital Partners, Mr. Pramod Bhasin and Mr. Anil Chawla, and was rebranded as Clix. In April 2022, Clix Finance India Private Limited (CFIPL; erstwhile GE Capital) was merged with Clix. Following the merger, Clix's portfolio comprises MSME and consumer lending along with healthcare and equipment finance and digital lending (onboarded from CFIPL). Additionally, Clix Housing Finance Private Limited, a wholly-owned subsidiary of Clix, primarily provides housing/mortgage finance products.

Key financial indicators

Particulars	FY2022 (Audited)	FY2023 (Audited)	FY2024 (Audited)
Total Income	663.5	703.0	955.0
Profit after tax	-93.9	45.0	61.8
Total Managed Assets	3,650	4,373	5,681
Gross Stage 3	5.0%	2.4%	1.8%
CRAR	35.8%	37.1%	28.3%

Source: Company, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years			
		Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
				Jul 23, 2024	Jul 25, 2023	Jul 26, 2022	Apr 6, 2022	-
Nimbus 2022 PL Veneno	PTC Series A	28.99	0.96	[ICRA]AAA(SO)	[ICRA]AA+(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Nimbus 2022 PL Veneno	PTC Series A	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 Type	Date of Issuance	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Nimbus 2022 PL Veneno	PTC Series A	April 1, 2022	9.50%	July 15, 2026	0.96	[ICRA]AAA(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Himanshi Doshi

+91 22 6114 3410

himanshi.doshi@icraindia.com

Ritu Rita

+91 22 6114 3409

ritu.rita@icraindia.com

Diptajyoti Banik

+91 22 6114 3412

diptajyoti.banik@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 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



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.