

**Press Release**  
**UP MONEY LIMITED - GAMBIT 08 2024**  
**August 29, 2025**  
**Rating Downgraded**



Product	Quantum (Rs. Cr)	Long Term Rating	Short T
Pass Through Certificates (PTCs)	15.84	ACUITE D   SO   Downgraded	-
Total Outstanding Quantum (Rs. Cr)	15.84	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to '**ACUITE D (SO)**' (read as **ACUITE D**) (**Structured Obligation**) from '**ACUITE A-(SO)**' (read as **ACUITE A minus**) (**Structured Obligation**) in the Pass-Through Certificates (PTCs) of Rs. 15.84 Cr. issued by GAMBIT 08 2024 (Trust) under a securitisation transaction originated by UP Money Limited (UPL) (The Originator).

**Rationale for the downgrade:**

Acuite notes the default in payment of interest and repayment of PTC Principal which was due on 25th August 2025 for GAMBIT 08 2024 (Trust) under a securitisation transaction originated by UP Money Limited (UPL) (The Originator) as intimated by the trustee and investor.

Acuite would also like to bring to notice that the Originator/Issuer Up Money Limited has defaulted in the monthly payout for the month of August 2025 for the PTC. The trustee tried to contact the issuer/originator of the PTC multiple times, however the issuer was not reachable. As per Acuite's discussion with the trustee, the trustee is in the process to invoke the Cash Collateral ( which was 12% of the initial pool principal outstanding) and part of the Credit enhancement structure. At present, Acuite has not received any information or clarification regarding the matter from the issuer, and the issuer cannot be reached.

The credit enhancement available to the PTCs was the form of:

- i. Cash collateral of 12.00% of the pool principal; and
- ii. Over collateralisation of 8.00% of the pool principal
- iii. Excess Interest Spread of 24.72% of the pool principal

**About the Originator**

Ludhiana based UP Money Limited (UPL) started operations in November 2014 following the acquisition of Sukhjot Finance Ltd, a company incorporated on February 6, 1995 under the Companies Act, 1956. The company's name was changed to UP Money Ltd w.e.f. March 2, 2015. The company is promoted by Mr. Ajit Singh Chawla and Mr. Sumel Singh Chawla. UPL offers affordable financing for micro, small & medium enterprises (MSMEs) loans and two-wheeler loans, mainly for rural livelihood advancement, with the aim to provide finance for income generating activities, socio-economic development and financial inclusion.

**Standalone Rating of the Originator ((if rated by Acuite)**

BB+, Issuer not Co-operating ( Downgraded from BBB-/Stable)

**Assessment of the Pool**

UpMoney has Asset Under Management of Rs. 601.89 Cr. as on Mar 31, 2024. The underlying pool of Rs. 17.22 Cr. in the current Pass Through Certificate (PTC) transaction comprises of MSME Business loans (Unsecured) have been extended towards 3,958 borrowers, displaying significant granularity, with an average ticket size of Rs. 53933.80, minimum ticket size of Rs. 30,000 and maximum of Rs. 70,000. The current average outstanding per borrower stands at Rs. 43,507.80. The pool has a healthy weighted average seasoning of 6.01 months (minimum 4 months seasoning and maximum of 11 months seasoning). Furthermore, none of the loans in the pool had gone into the Non-CURRENT bucket since origination, which are healthy signs. 73.33% of the borrowers are concentrated in Punjab followed by 10.14% in Haryana and 4.25% in Jammu and Kashmir and the rest 12.28% in four states displaying high geographical concentration. The top 10 borrowers of pool constitute 0.36% (i.e. Rs.6.18 lakhs) of the pool principal O/s.

## **Transaction Structure**

The rating of Series A1 PTCs addresses the timely payment of the interest on each payout dates and ultimate payment of principal on final maturity date to the series A1 pass-through certificates (PTCs) investors, in accordance with the transaction documentation.

## **Brief Methodology**

Parameters considered are seasoning of the pool, pool vs portfolio comparison, portfolio cuts, amortisation of the pool, internal cash flow modeling, pool characteristics, static pool, dynamic DPDs to assign final rating.

## **Legal Assessment**

The rating was assigned based on the fulfilment of the structure, terms and covenants detailed in the executed trust deed, servicing agreement, legal opinion, assignment agreement and other documents relevant to the transaction.

## **Key Risks**

### **Counter Party Risks**

The pool had average ticket size of Rs. 53933.80, minimum ticket size of Rs. 30,000 and maximum of Rs. 70,000. Considering the vulnerable credit profile of the borrowers, the risk of delinquencies/defaults are elevated. These risks of delinquencies are partly mitigated, considering the efficacy of the originator's origination and monitoring procedures.

### **Concentration Risks**

The top two states contributes 83.47% to the total pool. Furthermore, the underlying loans are MSME Business Loans which are unsecured in nature. The asset quality in this segment is more vulnerable to economic downturns.

### **Servicing Risks**

There is limited track record of servicing PTCs, since this is one of the first few PTC transactions for the originator rated by Acuite.

### **Regulatory Risks**

In the event of a regulatory stipulation impacting the bankruptcy remoteness of the structure, the payouts to the PTC holders may be impacted.

### **Prepayment Risks**

The pool is subject to prepayment risks since rate of interest is significantly high and borrowers may be inclined to shift to low cost options (based on availability). Prepayment risks are partially mitigated by prepayment penalty levied by the company for pre-closures. In case of significant prepayments, the PTC holders will be exposed to interest rate risks, since the cash flows from prepayment will have to be deployed at lower interest rates

### **Commingling Risk**

The transaction is subject to commingling risk since there is a time gap between last collection date and transfer to payout account.

### **Credit Enhancements (CE)**

The credit enhancement available to the Series A1 PTCs was the form of:

- i. Cash collateral of 12.00% of the pool principal; and
- ii. Over collateralisation of 8.00% of the pool principal; and
- iii. Excess Interest Spread of 24.72% of the pool principal

## **Rating Sensitivity**

- Collection performance of the underlying pool
- Credit quality of the underlying borrowers
- Decrease in cover available for PTC payouts from the credit enhancement

## **All Covenants**

The facilities comprising the pool shall be identified on the basis of the following criteria:

- No facility comprising the pool is classified as a "non-performing asset" for the purposes of the directions and guidelines of the RBI.
- Loans should not have been restructured or rescheduled;
- Compliance with "know your customer" norms specified by the RBI
- The pool should comply with the Minimum Holding Period requirements prescribed under the Securitisation Directions.
- No facility comprising the pool is overdue as on the Pool Cut Off Date.

The following covenant is included in the transaction structure:

- If the PAR > 60 (including the write-offs) in respect of the Pool exceeds 10.00% of the initial pool principal, then the EIS shall be utilized to make principal payments to the Series A Investors until the time the PAR > 60 (including the write-offs) reduces to 10.00% of the initial pool principal or as long as the Series A1 PTCs are live (whichever is later).

#### Servicer's Events of Default and Consequences

(a) Upon occurrence of one or more Servicer's Event of Default, the Trustee (acting on the instructions of the Investors holding Majority Interest) may give a notice to the Servicer calling upon the Servicer to remedy the said Servicer's Event(s) of Default.

(b) In the event the Servicer fails to remedy the Servicer's Event of Default within a period of 15 (Fifteen) days (or such lesser period as determined by the Trustee if giving such time period, would impact their interests) from the date of receipt of the aforesaid notice, the Trustee shall be entitled to (acting on the instructions of the Investors holding Majority Interest) terminate the services of the Servicer with immediate effect by providing a written notice in this regard to the Servicer; provided however that the Rating Agency shall be provided with prior intimation of the termination of the services of the Servicer.

(c) In case of a change in the Servicer pursuant to a Servicer's Event of Default and as per the terms of this Deed, the Servicer shall be liable to pay to the Trust all the costs and expenses which will be incurred by the Trust in replacing the Servicer or in the Trustee assuming the obligations of the Servicer by itself. In the event that the Servicer is replaced in accordance with the terms of this Deed, the Back-up Servicer's Fee shall be as set out in the Back-up Servicer Agreement, and the Back-up Servicer's Fee (as set out in paragraph 1 of Schedule 1 of the Back-up Servicer Agreement) shall be paid by the Trustee and such cost shall be borne by the entity being replaced. If the Servicer is unable to pay the said Back-up Servicer's Fee, the same shall be paid from the Trust Fund. Further, the Servicer shall provide all such assistance and support as is required by the Trustee to ensure that there is no interruption in the servicing of the Loans for the time period between the Servicer being changed pursuant to the occurrence of a Servicer's Event of Default and the time when the Servicer is replaced in accordance with this Deed and also provide all assistance to the Back-up Servicer as per the terms of the Back-up Servicer Agreement.

(d) Notwithstanding such termination, the Trustee shall be entitled to claim damages from the outgoing Servicer for losses sustained by the Trust on account of any act of negligence, misconduct, fraud or wilful default committed by the outgoing Servicer and detrimental to the interest of the Trust /Investors.

(e) On the termination of the Servicer's appointment, the Obligors shall be immediately notified and shall be directed to make payments to the Back-up Servicer / alternate servicer or to directly by credit to the Collection and Payout Account, in the event no such Back-up Servicer / alternate servicer is appointed, and any Receivables coming into the hands of the Servicer after such termination shall be held in trust by the Servicer for the benefit of the investor and shall be immediately deposited by the Servicer in the Collection and Payout Account. In the event the Receivables are not deposited by the Servicer into the Collection and Payout Account within 2 (Two) Business Days of such termination, then the Servicer shall be liable to pay a one-time penalty to the Trustee (acting on behalf of the Investors) the rates of which shall be notified by the Trustee to the Servicer at the relevant point of time. Further, the Servicer shall ensure that appropriate instructions are provided to the Obligors to make all payments through ECS and NACH such that the payments are credited to alternate servicer's account or Back-up Servicer's account and shall ensure that the Obligors have executed the NACH/ECS mandate directly in favour of alternate servicer's account or Back-up Servicer's account (as the case may be).

(f) Immediately, on termination of the services of the Servicer, the Servicer shall transfer to the alternate servicer / Back-up Servicer (or to the Trustee in the event that no such alternate servicer is appointed), the custody of all Loan Agreements, Underlying Documents, cheques including post-dated cheques, drafts, instruments (if any), demand promissory notes, correspondence, records, information and monies held by the Servicer with respect to the Assets.

#### All Assumptions

Acuité has arrived at a base case delinquency estimate basis its analysis of the company's historical static pool and further applied appropriate stress factors to the base loss figures to arrive at the final loss estimates. The loss estimate also consider the risk profile of the particular asset class, the borrower strata, economic risks, collection efficiency over the past several months as well as the credit quality of the originator. Acuité also has simulated the potential losses to an extent by applying sensitivity analysis.

#### Liquidity Position

##### Poor

The liquidity position in the transaction is poor. The originator for the transaction has defaulted in the payment of PTC interest and principal payments for the month of August 2025. The invocation of Cash Collateral by the trustee is in process to pay the monthly due towards the PTC holders.

## Outlook: Not Applicable

### Key Financials - Originator

Particulars	Unit	FY25 (Prov.)	FY24 (Actual)
Total Assets**	Rs. Cr.	493.71	547.16
Total Income*	Rs. Cr.	59.83	69.62
PAT	Rs. Cr.	7.24	11.84
Net Worth	Rs. Cr.	118.34	107.07
Return on Average Assets (RoAA)	(%)	1.39	2.28
Return on Average Net Worth (RoNW)	(%)	6.42	11.70
Total Debt/Tangible Net worth (Gearing)	Times	3.07	3.99
Gross NPA	(%)	2.28	1.42
Net NPA	(%)	1.49	1.15

\*Total income equals to Total Income net off interest expense

\*\*Total assets adjusted to Deferred Tax liability

### Status of disclosure of all relevant information about the Obligation being Rated

#### Non-public information

#### Any Other Information

None

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

#### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>
- Securitized Transactions: <https://www.acuite.in/view-rating-criteria-48.htm>

### Rating History - PTC

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Nov 2024	Pass Through Certificate	Long Term	15.84	ACUITE A- (SO ) (Assigned)

**Rating History - Originator (if applicable)**

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Nov 2024	Term Loan	Long Term	9.20	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	3.18	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	8.14	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.81	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.89	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.94	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.25	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.10	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	3.75	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	13.51	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	78.85	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	8.35	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	6.82	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	6.66	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.74	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.81	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	9.20	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.10	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.81	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.89	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	3.75	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.81	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	48.85	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	8.35	ACUITE BBB-   Stable (Reaffirmed)

22 Oct 2024	Term Loan	Long Term	3.18	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	6.82	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	6.66	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.74	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	13.51	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	25.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	30.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.94	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	8.14	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.25	ACUITE BBB-   Stable (Reaffirmed)
25 Sep 2023	Term Loan	Long Term	2.22	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	15.77	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	1.96	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	1.13	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	5.11	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	1.86	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	12.36	ACUITE BBB-   Positive (Reaffirmed)
	Cash Credit	Long Term	3.75	ACUITE BBB-   Positive (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Positive (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	4.66	ACUITE BBB-   Positive (Reaffirmed)
	Proposed Long Term Loan	Long Term	41.17	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	12.93	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	8.64	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	3.06	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	1.00	ACUITE BBB-   Positive (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	20.00	ACUITE BBB-   Positive (Assigned)
	Term Loan	Long Term	13.48	ACUITE BBB-   Positive (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB-   Positive (Reaffirmed)
		Long		ACUITE BBB-   Positive



	Term Loan	Term	3.90	(Reaffirmed)
07 Nov 2022	Term Loan	Long Term	0.67	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	15.77	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	5.24	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	1.72	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.05	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	7.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	0.93	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	6.57	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	3.75	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	6.06	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Loan	Long Term	68.24	ACUITE BBB-   Stable (Assigned)



**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Not Applicable	Not avl. / Not appl.	Pass Through Certificate	16 Aug 2024	13.25	25 Apr 2026	15.84	Highly Complex	ACUITE D   SO   Downgraded ( from ACUITE A- SO )

## Contacts

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