

May 21, 2026

## Best Capital Services Limited: Rating confirmed as final for PTCs backed by a pool of MSME LAP loan receivables issued by Cobalt 01 2026

### Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs crore)	Current Rated Amount (Rs. crore)	Rating Action
Cobalt 01 2026	Series A1 PTCs	12.13	12.13	[ICRA]A(SO); Provisional rating confirmed as final

\*Instrument details are provided in Annexure II

### Rationale

ICRA had assigned provisional rating to the pass-through certificate (PTCs) issued by Cobalt 01 2026 under a securitisation transaction originated by Best Capital Services Limited (BCSL/Originator). The PTCs are backed by a pool of MSME loan against property (MSME LAP) receivables originated by BCSL with an aggregate principal outstanding of Rs. 14.27 crore (pool receivables of Rs. 17.53 crore). BCSL will be the servicer for the rated 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	Cobalt 01 2026
Payout month	March 2026
Months post securitisation	3
Pool amortisation	14.04%
Series A1 PTCs amortisation	18.84%
Cumulative prepayment rate	0.00%
Cumulative collection efficiency <sup>1</sup>	100.00%
Loss-cum 0+ days past due (dpd) <sup>2</sup>	0.00%
Loss cum 30+ dpd <sup>3</sup>	0.00%
Loss cum 90+ dpd <sup>4</sup>	0.00%
Cumulative cash collateral utilisation	0.00%

<sup>1</sup> (Cumulative current collections and overdue collections) / (Cumulative billings + Opening overdue at the time of securitisation)

<sup>2</sup> Unbilled and overdue principal portion of delinquent contracts, as a % of Initial pool principal

<sup>3</sup> Unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

<sup>4</sup> Unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

## 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. The residual cash flows from the pool, after meeting the promised and expected payouts, will be used for the prepayment of Series A1 PTCs principal. Any prepayment in the pool would be used for the prepayment of Series A1 PTCs principal.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.00% of the initial pool principal to be provided by the Originator, (ii) subordination of 15.00% of the initial pool principal for Series A1 PTCs (iii) excess interest spread (EIS) of 16.40% of the initial pool principal.

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is granular, consisting of 255 contracts, with no contract exceeding 1.1% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of 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 cut-off date. Further none of the borrowers have defaulted during the tenure of the loan which is a credit positive for the transaction.

**Adequate servicing capability of BCSL** – The company, which would be servicing the loans in the transaction, has an adequate track record in the lending business of more than seven years and has adequate underwriting policies and collection procedures. The company has adequate processes for servicing the loan accounts in the securitised pools.

### Credit challenges

**High geographical concentration** - The pool has high geographical concentration with the top 2 states, viz. Rajasthan, and Uttar Pradesh together accounting for ~80% of 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 macroeconomic 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 5.00% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 8.0% to 24% 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	Cobalt 01 2026
Originator	Best Capital Services Limited
Servicer	Best Capital Services Limited
Trustee	Catalyst Trusteeship Limited
CC holding Bank	ICICI Bank Limited
Collection and payout account Bank	ICICI Bank Limited

## Liquidity position

### For Series A1 PTCs: Superior

The liquidity for Series A1 PTCs is superior after factoring in the credit enhancement available to meet the promised payouts to the investor. The total credit enhancement would be ~6.8 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – The sustained strong collection performance of the underlying pool (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and lower credit enhancement utilisation levels, would result in a rating upgrade.

**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 (BCSL) 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	<a href="#">Securitisation Transactions</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

## About the originator

Best Capital Services Limited is a registered NBFC which was incorporated in 1995. BCSL was acquired by Mr. Arun Bagadia in 2011. The company commenced operation with vehicle financing and over time, it expanded its product offerings to include MSME loans secured against residential or commercial property, and vehicle financing for both private and light commercial vehicles. The company got registered with the Reserve Bank of India (RBI) as a non-banking finance company – non deposit accepting (NBFC) in 1995. Registered Office is located at Jaipur, Rajasthan. As on June 30, 2025, the company was operating in 7 states, with assets under management (AUM) of Rs. 272 crores.

### Key financial indicators

Best Capital Services Limited	FY2023	FY2024	FY2025
Total Income	26.41	52.77	68.55
Profit After Tax	2.7	3.9	4.7
Total Managed Assets	163	292	371
Gross NPA	0.3%	0.3%	1.1%
CRAR	35%	30%	31%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; 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 (FY2027)		Chronology of rating history for the past 3 years			
		Initial	Current	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
		Rated Amount (Rs. crore)	Rated Amount (Rs. Crore)				
				May 21, 2026	February 09, 2026	-	-
<b>Cobalt 01 2026</b>	Series A1 PTCs	12.13	12.13	[ICRA]A(SO)	Provisional [ICRA]A(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 PTCs	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	Current Amount Rated (Rs. crore)	Current Rating
<b>Cobalt 01 2026</b>	Series A1 PTCs	January 30, 2026	11.50%	March 22, 2029	12.13	[ICRA]A(SO)

Source: Company; \*Fixed

**Annexure III: List of entities considered for consolidated analysis**

Not Applicable

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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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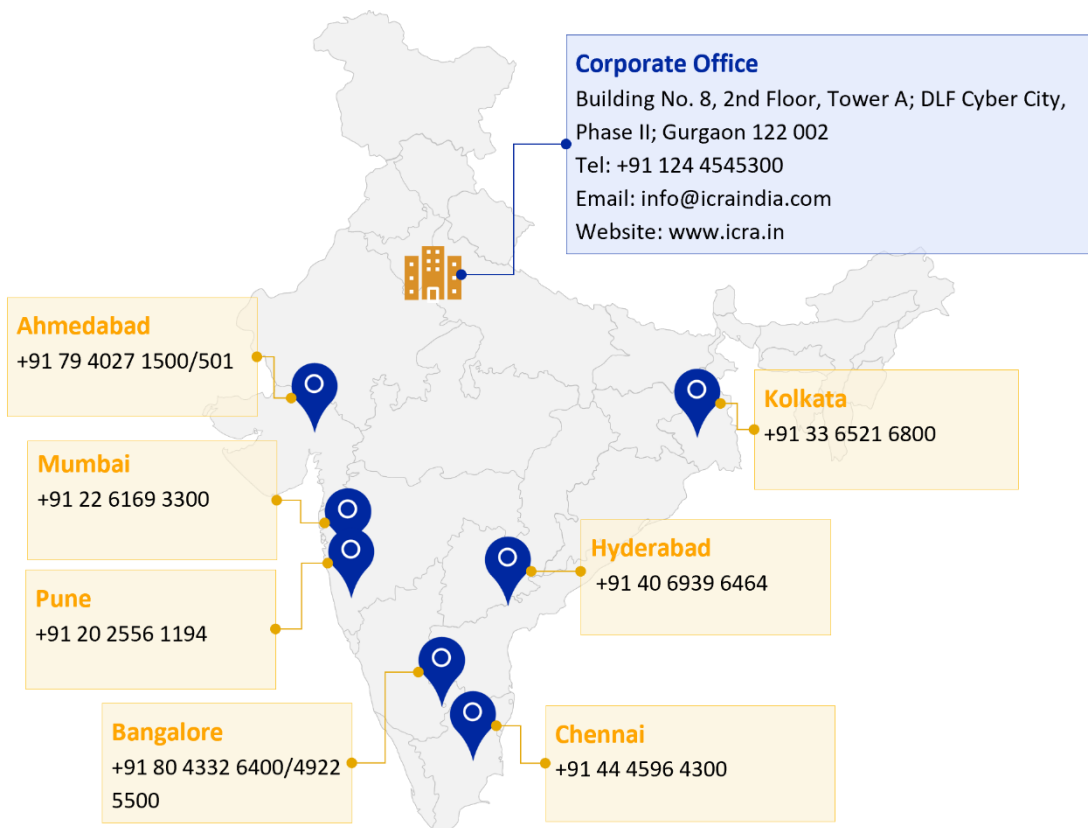
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