

May 18, 2023

Kogta Financial India Limited: Ratings withdrawn for PTCs backed by vehicle loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Maryland 12 2020	PTC Series A1	46.06	7.51	0.00	[ICRA]AA+(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for pass through certificates (PTCs) issued under the aforesaid transactions which are backed by pool of vehicle loans originated by Kogta Financial India Limited (Kogta). All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the ratings assigned to the instruments have been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link:

[Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Kogta Financial India Limited (KFIL), incorporated in 1996, is an NBFC, which primarily finances new and used commercial vehicles, multi-utility vehicles, cars, and tractors. It also provides MSME loans and loans against property (LAP). The Jaipur-based company operates through a network of about 218 branches (as of December 31, 2022) across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi NCR, Uttar Pradesh and Punjab and Haryana.

As on December 31, 2022, the company's AUM stood at Rs. 2,971 crore compared to Rs. 2,183 crore in March 2022. While the used vehicle financing segment accounted for a 67% share in the AUM as on December 31, 2022, the new vehicle financing segment's share stood at 12% with LAP/MSME loans accounting for the remaining 21%. Rajasthan accounted for 35% of the AUM as of December 31, 2022.

Post the equity infusion in May 2022, the promoter group, viz. the Kogta family, holds a 31.7% equity stake (including warrants) in the company on a fully-diluted basis, while the balance is held by Morgan Stanley Private Equity Asia (23.2%), Creador Advisors India LLP (17.2%), Multiples Private Equity (14.3%) and Javelin Investments (9%). The company reported a profit after tax (PAT) of Rs. 46.8 crore in 9M FY2023 on gross asset base of Rs. 3,442 crore as on December 31, 2022 compared to PAT of Rs. 52.1 crore in FY2022 on a gross asset base of Rs. 2,620 crore as on March 31, 2022. The company's net worth stood at Rs. 1,095.5 crore as on December 31, 2022 based on provisional financials (Rs. 651.0 crore as on March 31, 2022). The gross NPA and net NPA for the company stood at 4.2% and 2.7% respectively as on December 31, 2022 compared to 3.6% and 2.5% respectively as on March 31, 2022.

Key financial indicators

Kogta	FY2021	FY2022	9M FY2023
Net worth	596	651	1,096
Profit after tax	45	52	47
Assets under management	1,491	2,182	2,971
% Gross NPAs	3.3%	3.6%	4.2%
% Net NPAs	2.4%	2.5%	2.7%

Amount in Rs. crore

Source: Company, ICRA Research; All ratios as per ICRA's calculations

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 (FY2024)		Chronology of Rating History for the Past 3 Years				
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					May 18, 2023	Jul 28, 2022	Jul 27, 2021	Mar 24, 2021 [^]	Dec 24, 2020 [*]
1	Maryland 12 2020	PTC Series A1	46.06	0.00	[ICRA]AA+(SO); Withdrawn	[ICRA]AA+(SO)	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)

*Provisional rating assigned

[^] Provisional rating finalized

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Maryland 12 2020	PTC Series A1	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, is available on ICRA's website [Click here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Maryland 12 2020	PTC Series A1	December 2020	9.40%	August 2025	0.00	[ICRA]AA+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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Branches



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