

July 18, 2025

Kogta Financial India Limited: Rating confirmed as final for PTCs backed by vehicle loan receivables issued by Florida 03 2025

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Florida 03 2025	Series A PTC	45.08	[ICRA]AA+(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure I

Rationales

ICRA had assigned provisional rating to Series A PTC issued by Florida 03 2025 Trust under a securitisation transaction originated by Kogta Financial India Limited {Kogta/Originator; rated [ICRA]A+(Stable)}. The PTCs are backed by a pool of vehicle loan receivables originated by Kogta with an aggregate principal outstanding of Rs. 49.27 crore (pool receivables of Rs. 61.70 crore). Kogta is also 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 ratings have now been confirmed as final.

Pool performance summary:

Parameter	Florida 03 2025
Payout month	June 2025
Months post securitisation	3
Pool amortisation	13.8%
Series A PTC Amortisation	15.4%
Monthly Collection Efficiency	95.1%
Cumulative collection efficiency (including advance collections) ¹	97.0%
Cumulative Prepayment rate	3.5%
Loss-cum-0+ days past due (dpd) ²	4.8%
Loss-cum-30+ dpd ³	0.7%
Loss-cum-90+ dpd ⁴	0.0%
Cumulative cash collateral (CC) utilisation	0.0%

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 (100.00% 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 the Series A PTC principal.

¹ Cumulative current and overdue collections/ Cumulative billings

² Pool principal outstanding including overdue on contracts aged 0+ dpd / Pool principal outstanding at the time of securitisation

³ Pool principal outstanding including overdue on contracts aged 30+ dpd / Pool principal outstanding at the time of securitisation

⁴ Pool principal outstanding including overdue on contracts aged 90+ dpd / Pool principal outstanding at the time of securitisation

If the portfolio at risk (PAR) 90 of the pool exceeds 5.00% of the initial principal outstanding and/or If the rating of the Series A PTC falls below AA+ (SO), then the EIS shall be utilised towards the repayment of the principal payout to the Series A investors.

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, amounting to Rs. 2.46 crore, provided by the Originator, (ii) principal subordination of 8.50% of the initial pool principal for Series A PTC and (iii) the EIS of 16.01% of the initial pool principal for Series A PTC.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement: The pool is granular, consisting of 1,599 contracts, with top 10 contracts forming less than ~7% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of subordination, cash collateral (CC) and excess interest spread (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 the cut-off date. Further, ~92% of the pool has contracts which have never been delinquent, which is a credit positive.

Healthy bureau score of borrowers: In the pool, around 75% of the borrowers have a CIBIL score above 700, which reflects their relatively better credit profile.

Adequate servicing capability of the originator: Kogta has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated long track record of regular collections and recovery across a wide geography and multiple economic cycles.

Credit challenges

High geographical concentration: The pool has high geographical concentration with the top 3 states, viz. Rajasthan, Madhya Pradesh and Maharashtra, contributing ~84% to 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.

Risk associated with lending business: The pools' 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.

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 based on 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 4.25% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% 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 mentioned below:

Transaction Name	Florida 03 2025
Originator	Kogta Financial India Limited
Servicer	Kogta Financial India Limited
Trustee	Axis Trustee Services Limited
CC holding bank	Axis Bank Limited
Collection and payout account Bank	Axis Bank Limited

Liquidity position: Strong

The liquidity for the PTC instrument is strong after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~5.00 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 PTC payouts from the credit enhancement.

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 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	Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Kogta Financial India Limited (Kogta), incorporated in 1996, is an NBFC, which primarily finances new and used commercial vehicles, multi-utility vehicles, cars, tractors and Construction Equipment. It also provides MSME loans and loan against property (LAP). The company is headquartered in Jaipur and operates through a network of more than 250 branches (as on September 30, 2024) spread across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi NCR, Punjab & Haryana, Uttar Pradesh & Chhattisgarh.

Following the equity infusion in June 2024, the promoter group, viz. the Kogta family, holds a 30.22% equity stake (including warrants) in the company on a fully-diluted basis, while the balance is held by Ontario Limited (22.95%), Multiples Private Equity (12.31%), Creador Advisors India LLP (12.04%), Morgan Stanley Private Equity Asia (10.75%) and Javelin Investments (7.7%).

Key financial indicators (audited)

Kogta Financial (India) Limited	FY2023	FY2024	FY2025
Total income	522	770	1,002
PAT	86	141	166
Total Managed Assets	4,419.9	6,075.5	8,039.9
Gross NPA	3.3%	2.6%	3.3%
CRAR	34.1%	27.1%	34.5%

Source: Company, ICRA Research; Amounts in Rs. Crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Current Rating (FY2026)				Chronology of Rating History for the Past 3 Years		
	Instrument	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
				Jul 18, 2025	Mar 27, 2025	-	-
Florida 03 2025	Series A PTC	45.08	45.08	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A PTC	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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Florida 03 2025	Series A PTC	March 27, 2025	8.70%	May 19, 2029	45.08	[ICRA]AA+(SO)

Source: Company

Annexure II: 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.

For more information, visit www.icra.in

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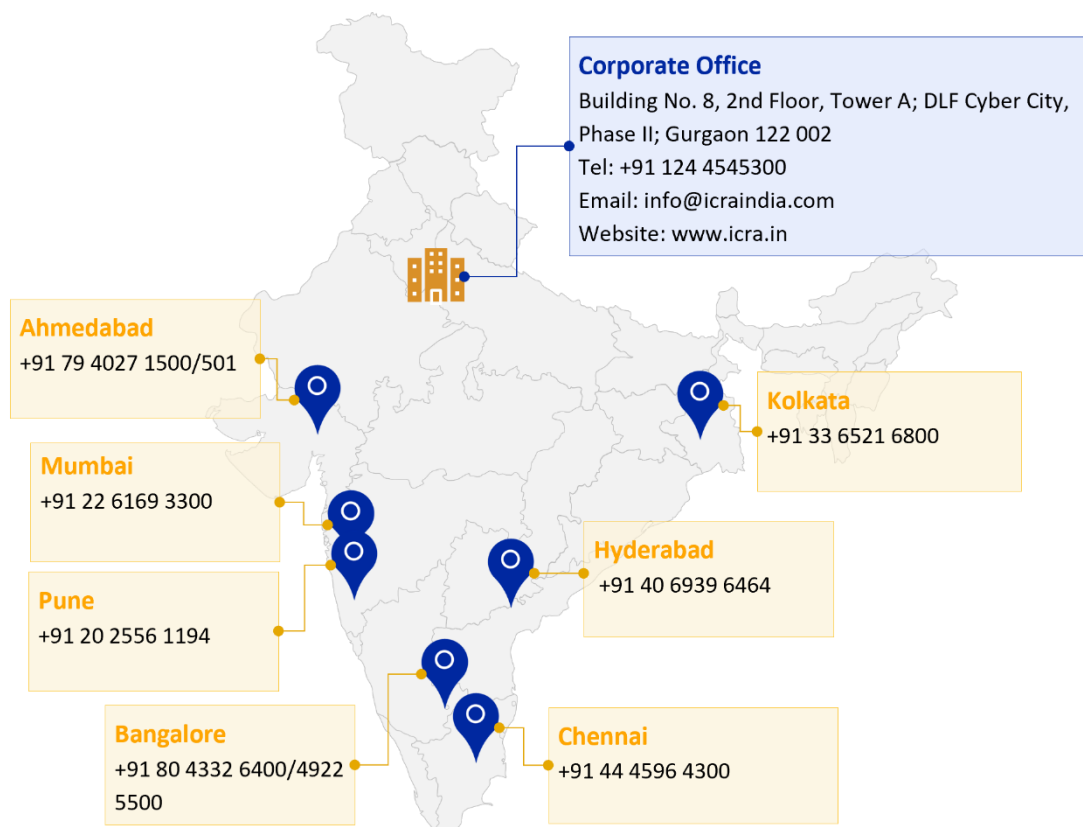


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