

February 03, 2026

## Kogta Financial India Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debentures	115.00	115.00	[ICRA]A+ (Stable); reaffirmed
Long-term fund-based/Non-fund-based others	1,500.00	2,000.00	[ICRA]A+ (Stable); reaffirmed
Non-convertible debentures	200.00	0.00	[ICRA]A+ (Stable); reaffirmed and withdrawn
Term loan	500.00	0.00	-
<b>Total</b>	<b>2,315.00</b>	<b>2,115.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating factors in Kogta Financial India Limited's (KFIL) demonstrated track record of business expansion and its franchise in the regional market while maintaining adequate profitability. The company has scaled up its business (compound annual growth rate (CAGR) of 44% during FY2021-FY2025 and year-on-year (YoY) growth of 40% in H1 FY2026), supported by regular capital raising. It reported a return on managed assets (RoMA) of 1.9% in H1 FY2026 compared with 1.6% in H1 FY2025 (2.4% in FY2025). KFIL's net worth of Rs. 2,144 crore, with a managed gearing of 3.3x as on September 30, 2025, is commensurate for near-term book growth. Nonetheless, capital would be required to support growth over the medium term while keeping the managed gearing below 4x.

The rating, however, considers the relatively lower seasoning of the loan book since a large part of the current book was originated in the past few years compared with the asset tenure. This exposes the company to volatility in asset quality indicators as the portfolio seasons. Further, portfolio vulnerability is augmented by its target customer profile, primarily comprising small road transport operators, small business owners and first-time borrowers and single vehicle owners, who are more susceptible to economic shocks and have limited income buffers. Thus, KFIL's delinquency indicators could remain volatile. In this regard, the secured nature of the loans provides some comfort.

The Stable outlook reflects ICRA's expectation that the company would continue to scale up profitably while maintaining an adequate capitalisation profile.

ICRA has reaffirmed and withdrawn the rating assigned to the Rs. 200-crore non-convertible debentures as no amount is outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings.

### Key rating drivers and their description

#### Credit strengths

**Capital profile commensurate for near term, but capital required for medium-term growth** – KFIL's net worth stood at Rs. 2,144 crore (Rs. 2,059 crore as on March 31, 2025) with the managed gearing increasing to 3.3x as on September 30, 2025 from 2.8x as on March 31, 2025 as fresh borrowings funded portfolio growth. The company has sufficient capital cushions to support the near-term portfolio growth. However, given the business growth plans, the leverage is expected to increase from the current level. In this regard, KFIL would need to raise capital to support growth over the medium term while keeping the managed gearing below 4x. A rise in the managed gearing beyond 4x on a sustained basis could be a credit negative for the company and will hence be a key monitorable.

**Adequate profitability profile** – KFIL’s profitability profile remained adequate with RoMA weakening to 2.4% in FY2025 from 2.7% in FY2024, following some reduction in the net interest margin (NIM), a slight increase in operating expenses (due to higher employee expenses) and a rise in credit costs (due to higher incremental provisions and increased losses from repossessed assets). It remained adequate in H1 FY2026 as well with RoMA declining to 1.9% (though higher than 1.6% in H1 FY2025) because of lower NIMs (due to decrease in upfront income from direct assignment (DA) and rise in gearing) and a sharp increase in credit costs (due to higher incremental provisions and higher write-offs). ICRA notes that an improvement in incremental profitability shall depend on the optimisation of operating expenses with economies of scale and the ability to keep the asset quality under control.

**Established track record and franchise in regional market** – KFIL’s promoters have over 20 years of experience in the vehicle financing business, especially in Rajasthan. This has helped it establish a retail franchise in Rajasthan and its neighbouring states/Union Territories (UTs) and gain a good understanding of the local market. KFIL’s leadership team primarily consists of the promoter’s family members, backed by an experienced management team and supported by independent and nominee directors. The promoter group, viz. the Kogta family, held a 30.22% equity share in the company as on September 30, 2025 on a fully-diluted basis. It is also backed by established equity investors.

In line with its business plans, KFIL has also invested in developing an in-house management information system (MIS), which is fully integrated across functions. While it had launched a new loan origination system (LOS) for vehicle financing across all branches in Q1 FY2025, it plans to launch a new LOS for loan against property (LAP)/secured micro, small and medium enterprise (MSME) loans in the near term. This could enable it to leverage the strengthened technological capability and grow profitably while achieving operating efficiency.

### Credit challenges

**Limited portfolio seasoning** – KFIL has expanded its assets under management (AUM) at a relatively fast pace over the past few years (4-year CAGR of 44% during FY2021-FY2025 and YoY growth of 40% in H1 FY2026) to Rs. 7,336 crore as on September 30, 2025 (Rs. 6,508 crore as on March 31, 2025). This indicates limited portfolio seasoning in relation to the asset’s tenure. The impact of portfolio seasoning on the overall asset quality will remain monitorable over the medium term. Further, while the company expanded its reach over the years to 12 states/UTs in North, West and Central India through a network of about 270 branches as on September 30, 2025, the home state of Rajasthan still accounted for 31% of the portfolio (though lower than 37% as on March 31, 2022). The rest of the portfolio is in Maharashtra (19%), Gujarat (16%), Madhya Pradesh (MP) & Chhattisgarh (13%), Punjab, Haryana & Himachal Pradesh (10%), Delhi NCR (8%) and others (including Uttar Pradesh, Uttarakhand, etc.: 3%). KFIL’s ability to expand into new geographies in the near to medium term while improving its operating efficiency in the existing states will be imperative for expanding the scale of operations.

**Modest credit profile of target customer segment** – As KFIL primarily operates in the used vehicle financing segment, its customers are mostly first-time borrowers and single vehicle and small business owners, who are more susceptible to economic shocks and have limited income buffers. Thus, the company’s delinquency indicators could remain volatile. KFIL’s 30+ days past due (dpd) remained elevated at 7.7% as on September 30, 2025 (though lower than 8.2% as on September 30, 2024) compared to 6.7% as on March 31, 2025 because of the impact of adverse weather patterns in addition to the vulnerable borrower profile and the nature of the business. Consequently, the 90+ dpd rose to 3.5% as on September 30, 2025 (3.6% as on September 30, 2024) from 3.1% as on March 31, 2025 because of roll-forwards into harder buckets.

KFIL’s gross non-performing advances (NPAs) weakened to 3.7% as on September 30, 2025 (3.3% as on March 31, 2025) from 2.6% as on March 31, 2024 following higher slippages and slower rollbacks. Further, the restructured book was negligible at 0.1% of the AUM as on September 30, 2025 (0.1% as on March 31, 2025). Going forward, KFIL’s ability to control incremental fresh slippages while growing as per business plans will remain a key monitorable.

## Liquidity position: Adequate

The short-to-medium tenure of the loans extended by KFIL (average tenure of about four years) matches well with the weighted average tenure of the term facilities (3.4 years) availed by it and reflects positively in the asset-liability maturity (ALM) profile. Thus, the ALM profile, in the normal course of business, is characterised by positive cumulative mismatches across all buckets up to one year. As per the ALM profile as on September 30, 2025, KFIL has debt maturities (principal) of Rs. 2,420 crore for the 12-month ending September 30, 2026 against expected inflows (principal) from performing advances of Rs. 1,985 crore during this period. The company had adequate on-balance sheet liquidity as on September 30, 2025 with unencumbered cash and liquid investments of about Rs. 850 crore (14% of its on-balance sheet borrowings). Additionally, it had investments of Rs. 383 crore in bonds/debentures as on September 30, 2025. Liquidity is also supported by undrawn sanctioned bank lines of Rs. 328 crore and unutilised working capital lines of Rs. 229 crore as on September 30, 2025.

KFIL's borrowing profile is diversified for its current scale, with sources including banks (64% of the total borrowings, including off-book portfolio, as on September 30, 2025), securitisation and DA (20%), non-banking financial companies (NBFCs)/financial institutions (FIs; 9%), and debt markets (7%). It would need to continue expanding its lender base, while borrowing at competitive rates, to grow as per its business plans.

## Rating sensitivities

**Positive factors** – The rating could be upgraded on a healthy growth in the scale on a sustained basis while maintaining comfortable asset quality and capitalisation profile.

**Negative factors** – Pressure on the rating could emerge on a significant increase in the leverage (managed gearing increasing beyond 4x on a sustained basis) and/or a sustained deterioration in the asset quality or weakening in the liquidity and earnings profile (RoMA of less than 2.0% on a sustained basis).

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-banking Finance Companies</a> <a href="#">Policy on Withdrawal of Credit Ratings</a>
Parent/Group support	-
Consolidation/Standalone	Standalone

## About the company

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 secured MSME loans and loan against property (LAP). The Jaipur-based company had 270 branches as on September 30, 2025, spread across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, Delhi NCR, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh, Uttarakhand etc. Its AUM stood at Rs. 7,336 crore as on September 30, 2025 (Rs. 6,508 crore as on March 31, 2025). While the used vehicle financing segment accounted for 70% of the AUM as on September 30, 2025, the new vehicle financing segment's share stood at 12% with LAP/secured MSME loans accounting for 18%. Rajasthan accounted for 31% of the AUM as on September 30, 2025.

The promoter group, viz. the Kogta family, had a 30.22% equity stake (including warrants) in the company on a fully-diluted basis as on September 30, 2025. The other key investors include Ontario Teachers Pension Plan, Multiples Private Equity, Creador Advisors India LLP, Morgan Stanley Private Equity Asia and Javelin Investments.

KFIL reported a profit after tax (PAT) of Rs. 166 crore in FY2025 on a managed asset base of Rs. 8,040 crore as on March 31, 2025 compared to PAT of Rs. 141 crore in FY2024 and a managed asset base of Rs. 6,076 crore as on March 31, 2024. Its net worth stood at Rs. 2,059 crore with a managed gearing of 2.8x as on March 31, 2025 (Rs. 1,280 crore and 3.6x, respectively, as on March 31, 2024). Gross and net NPAs stood at 3.3% and 1.8%, respectively, as on March 31, 2025 (2.6% and 1.3%, respectively, as on March 31, 2024).

In H1 FY2026, KFIL reported PAT of Rs. 83 crore on a managed asset base of Rs. 9,466 crore as on September 30, 2025. Its net worth was Rs. 2,144 crore with a managed gearing of 3.3x as on September 30, 2025. Gross and net NPAs stood at 3.7% and 2.0%, respectively, as on September 30, 2025.

#### Key financial indicators

KFIL	FY2024	FY2025	H1 FY2026
	Audited	Audited	Unaudited
Total income	767	1,002	606
Profit after tax	141	166	83
Total managed assets	6,076	8,040	9,466
Return on average managed assets	2.7%	2.4%	1.9%
Managed gearing (times)	3.6	2.8	3.3
Gross NPA	2.6%	3.3%	3.7%
CRAR	27.1%	34.5%	30.7%

Source: KFIL, ICRA Research; Amount in Rs. crore; All figures and ratios as per ICRA's calculations/nomenclature/definitions

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb 03, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund based/Non-fund based – Others</b>	Long term	2,000.00	[ICRA]A+ (Stable)	Feb 04, 2025	[ICRA]A+ (Stable)	Mar 13, 2024	[ICRA]A+ (Stable)	-	-
<b>Fund based – Term loan</b>	Long term	-	-	Feb 04, 2025	[ICRA]A+ (Stable)	Sep 05, 2023	[ICRA]A (Positive)	Aug 30, 2022	[ICRA]A (Stable)
			-	-	-	Feb 28, 2024	[ICRA]A+ (Stable)	Mar 16, 2023	[ICRA]A (Stable)
			-	-	-	Mar 13, 2024	[ICRA]A+ (Stable)	-	-
<b>Non-convertible debentures</b>	Long term	115.00	[ICRA]A+ (Stable)	Feb 04, 2025	[ICRA]A+ (Stable)	Sep 05, 2023	[ICRA]A (Positive)	Apr 04, 2022	[ICRA]A- (Stable)
			-	-	-	Feb 28, 2024	[ICRA]A+ (Stable)	Apr 04, 2022	[ICRA]A- (Stable)
			-	-	-	Feb 28, 2024	[ICRA]A+ (Stable)	Jun 09, 2022	[ICRA]A (Stable)
			-	-	-	Mar 13, 2024	[ICRA]A+ (Stable)	Aug 30, 2022	[ICRA]A (Stable)
			-	-	-	-	-	Mar 16, 2023	[ICRA]A (Stable)
			-	-	-	-	-	Mar 16, 2023	[ICRA]A (Stable)
<b>Market linked debenture</b>	Long term	-	-	Feb 04, 2025	PP-MLD[ICRA]A+ (Stable); withdrawn	Sep 05, 2023	PP-MLD[ICRA]A (Positive)	Apr 04, 2022	PP-MLD[ICRA]A- (Stable)
			-	-	-	Feb 28, 2024	PP-MLD[ICRA]A+ (Stable)	Jun 09, 2022	PP-MLD[ICRA]A (Stable)
			-	-	-	Mar 13, 2024	[ICRA]A+ (Stable)	Aug 30, 2022	PP-MLD[ICRA]A (Stable)
			-	-	-	-	-	Mar 16, 2023	PP-MLD[ICRA]A (Stable)

Source: ICRA Research

## Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Non-convertible debenture (NCD; INE192U07343, yet to be placed)</b>	Simple
<b>Long term fund based/Non-fund based – Others</b>	Simple

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<sup>^</sup>**

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE192U07343	NCD	Mar-05-2024	9.75%	Mar-05-2026	100.00	[ICRA]A+ (Stable)
NA	NCD*	NA	NA	NA	15.00	[ICRA]A+ (Stable)
NA	Term loan - 1	Oct-10-2023	NA	Oct-31-2027	50.00	[ICRA]A+ (Stable)
NA	Term loan - 2	Oct-16-2023	NA	Oct-30-2028	31.25	[ICRA]A+ (Stable)
NA	Term loan - 3	Sep-20-2023	NA	Dec-27-2027	47.28	[ICRA]A+ (Stable)
NA	Term loan - 4	Aug-01-2023	NA	Aug-31-2028	28.95	[ICRA]A+ (Stable)
NA	Term loan - 5	Feb-06-2024	NA	Feb-25-2028	22.50	[ICRA]A+ (Stable)
NA	Term loan - 6	Mar-05-2024	NA	Mar-01-2028	28.57	[ICRA]A+ (Stable)
NA	Term loan - 7	Dec-27-2023	NA	Mar-15-2028	147.93	[ICRA]A+ (Stable)
NA	Term loan - 8	Mar-15-2024	NA	Mar-31-2027	13.33	[ICRA]A+ (Stable)
NA	Term loan - 9	Jan-28-2025	NA	Jan-31-2028	21.67	[ICRA]A+ (Stable)
NA	Term loan - 10	Mar-21-2024	NA	Sep-28-2027	94.64	[ICRA]A+ (Stable)
NA	Term loan - 11	Mar-28-2024	NA	Apr-07-2028	29.43	[ICRA]A+ (Stable)
NA	Term loan - 12	Dec-03-2024	NA	Dec-11-2028	17.56	[ICRA]A+ (Stable)
NA	Term loan - 13	Dec-20-2024	NA	Apr-03-2029	101.56	[ICRA]A+ (Stable)
NA	Term loan - 14	Dec-23-2024	NA	Jan-28-2029	65.00	[ICRA]A+ (Stable)
NA	Term loan - 15	Feb-25-2025	NA	Jun-30-2028	61.54	[ICRA]A+ (Stable)
NA	Term loan - 16	Feb-19-2025	NA	May-25-2028	83.33	[ICRA]A+ (Stable)
NA	Term loan - 17	Dec-27-2023	NA	Dec-31-2028	79.99	[ICRA]A+ (Stable)
NA	Term loan - 18	Feb-20-2025	NA	Mar-31-2030	94.70	[ICRA]A+ (Stable)
NA	Long term fund based/ Non-fund based - Others*	NA	NA	NA	980.77	[ICRA]A+ (Stable)
INE192U07210	NCD	Sep-20-2021	HDFC Bank MCLR rate linked	Mar-20-2025	25.00	[ICRA]A+ (Stable); withdrawn
INE192U07301	NCD	May-09-2022	10.60%	May-09-2025	30.00	[ICRA]A+ (Stable); withdrawn
INE192U07236	NCD	Sep-23-2021	Repo rate linked	Sep-23-2025	20.00	[ICRA]A+ (Stable); withdrawn
INE192U07335	NCD	Mar-24-2023	9.74%	Dec-23-2025	125.00	[ICRA]A+ (Stable); withdrawn

Source: KFIL, ICRA Research

\* Yet to be placed; ^ As on November 30, 2025 for bank facilities and as on December 31, 2025 for NCDs

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

Not applicable

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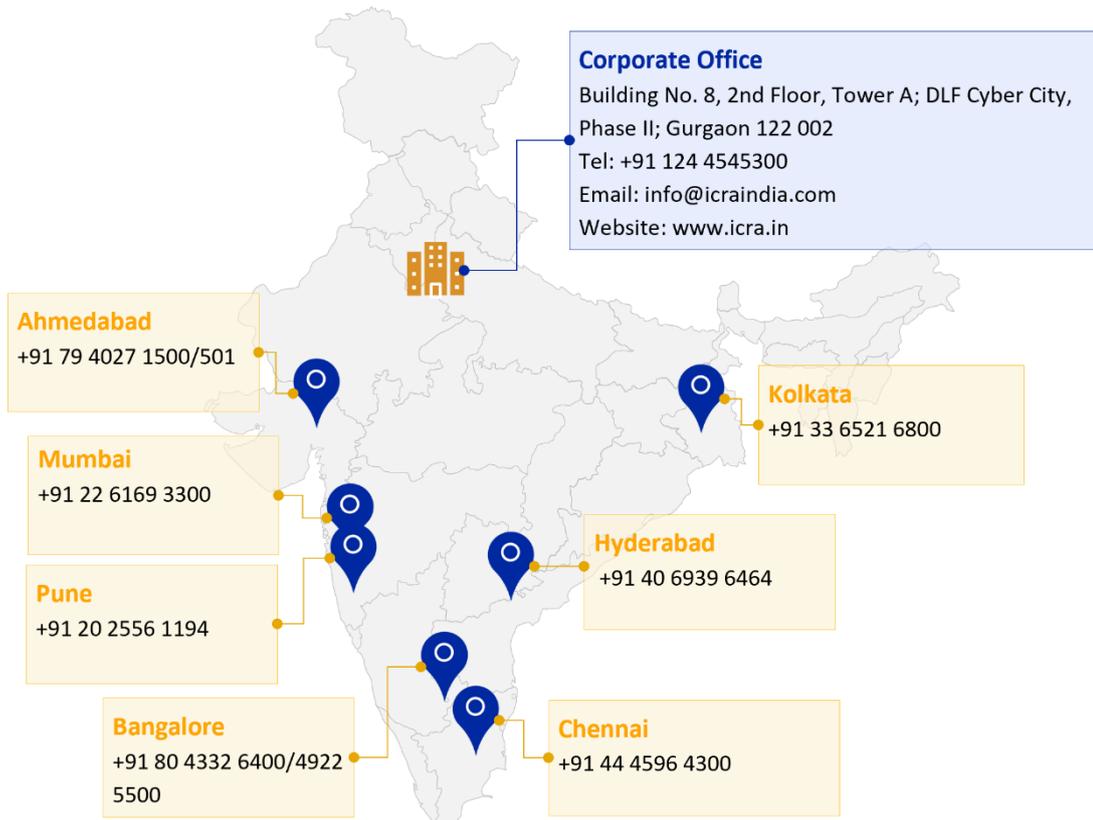


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