

March 31, 2026

Kogta Financial India Limited: Provisional [ICRA]AA+(SO) assigned to Series A1 PTCs backed by a pool of vehicle loan receivables issued by Thimphu 03 2026

Summary of rating action

Trust Name	Instrument*	Rated Amount (Rs. crore)	Rating Action
Thimphu 03 2026	Series A1 PTCs	103.63	Provisional [ICRA]AA+(SO); Assigned

*Instrument details are provided in Annexure I

Rating in the absence of pending actions/documents	No rating would have been assigned as it would not be meaningful
--	--

Rationale

The pass-through certificates (PTCs) are backed by a pool of vehicle loan receivables originated by Kogta Financial India Limited {Kogta/Originator; rated [ICRA]A+(Stable)} with an aggregate principal outstanding of Rs. 112.03 crore (pool receivables of Rs. 139.53 crore). Kogta would be the servicer for the rated transaction.

The provisional rating is based on the strength of the cash flows from the selected pool of contracts, the credit enhancement available in the structure as well as the integrity of the legal structure. The rating is subject to the fulfilment of all the conditions under the structure and ICRA's review of the documentation pertaining to the transaction.

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 A1 PTCs principal.

If the 90+ delinquency of the pool exceeds 4.00% of the initial principal outstanding and/or if the rating of the Series A1 PTCs / Originator is downgraded by one or more notches and/or if net non-performing assets of Kogta exceeds 3%, then the EIS shall be utilised towards the repayment of the principal payout to the Series A1 investors till is fully redeemed.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 5.50% of the initial pool principal, amounting to Rs. 6.16 crore, to be provided by the Originator, (ii) principal subordination of 7.50% of the initial pool principal for Series A1 PTCs and (iii) the EIS of 14.57% of the initial pool principal for Series A1 PTCs.

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement - The pool is granular, consisting of 2,715 contracts, with top 10 obligors having share of ~3% 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, ~94% of the contracts in pool have never been delinquent, which is a credit positive.

Adequate servicing capability of Kogta – The company 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, Maharashtra, and Gujarat, contributing ~61% 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.

Risks associated with lending business – The pool's 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 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 4.00% of the pool principal 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.

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 analysis of the performance of Kogta’s loan portfolio till December 2025, the key characteristics and composition of the current pool, the performance expected over the balance tenure of the pool, and the credit enhancement cover available in the transaction.

Analytical Approach	
Applicable rating methodologies	Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into final upon the execution of:

1. Trust deed
2. Assignment agreement
3. Power of Attorney
4. Legal Opinion
5. Trustee Letter
6. Other key or important documents executed for the transaction

Validity of the provisional rating

The Trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of this publication, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA’s Policy on Provisional Ratings available at www.icra.in.

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 secured MSME loans and loan against property (LAP). The Jaipur-based company had 275 branches as on December 31, 2025, spread across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, Delhi NCR, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh, Uttarakhand etc. Its AUM stood at Rs. 7,744 crore as on December 31, 2025 (Rs. 6,508 crore as on March 31, 2025). While the used vehicle financing segment accounted for 70% of the AUM as on December 31, 2025, the new vehicle financing segment’s share stood at 12% with LAP/secured MSME loans accounting for 18%. Rajasthan accounted for 30% of the AUM as on December 31, 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 December 31, 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.

Key financial indicators (audited)

Kogta Financial (India) Limited	FY2024	FY2025	9M FY2026*
Total income	770	1,002	944
PAT	141	166	134
Total Managed Assets	6,004	7,993	9,986
Gross NPA	2.6%	3.3%	4.0%
CRAR	27.1%	34.5%	29.38%

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2026)		Chronology of Rating History for the Past 3 Years			
		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
Thimphu 03 2026	Series A1 PTCs	103.63	103.63	March 31, 2026 Provisional [ICRA]AA+(SO)	-	-	-

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 I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating
Thimphu 03 2026	Series A1 PTCs	March 31, 2026	8.30%	August 18, 2030	103.63	Provisional [ICRA]AA+(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Manushree Saggar
+91 124 4545 316
manushrees@icraindia.com

Himanshi Doshi
+91 22 6114 3410
himanshi.doshi@icraindia.com

Ekta Baheti
+91 22 6114 3423
ekta.baheti@icraindia.com

Sachin Joglekar
+91 22 6114 3470
sachin.joglekar@icraindia.com

Mrugesh Trivedi
+91 22 6114 3436
mrugesh.trivedi@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar
+91 22 6169 3304
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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

ICRA Limited



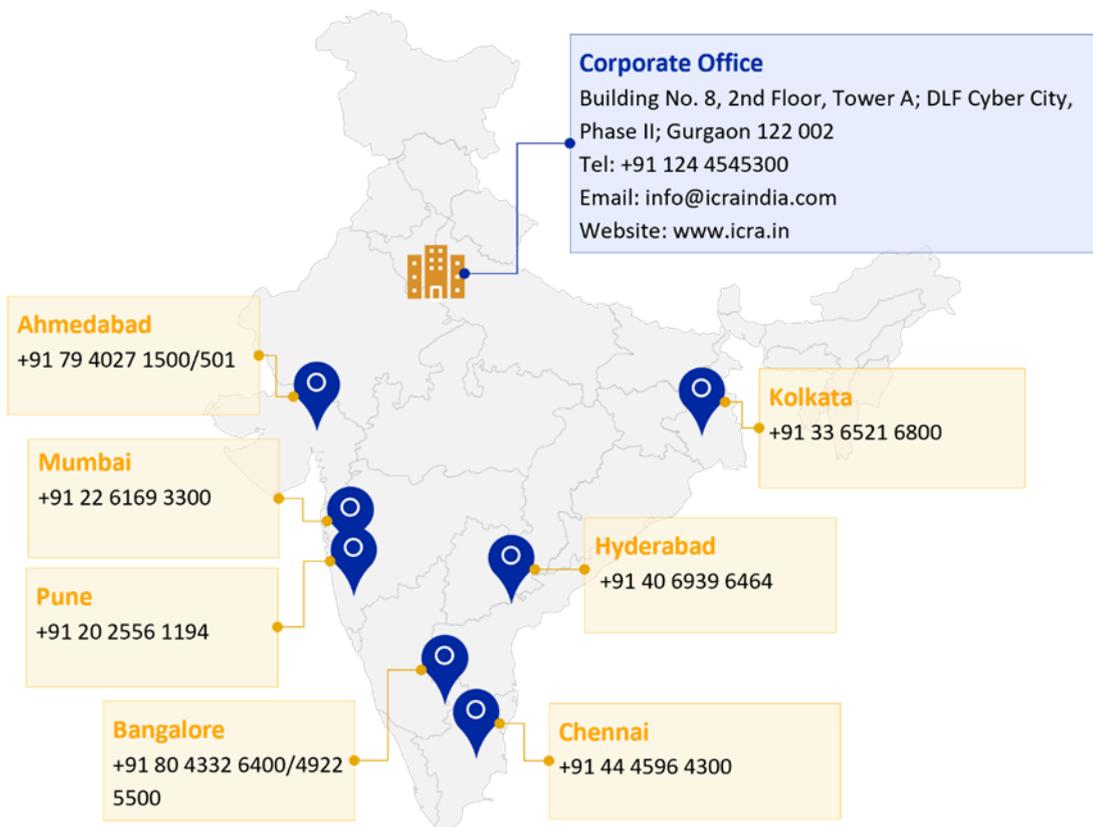
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.