

June 26, 2026

Kaabil Finance Private Limited: Rating upgraded for PTCs issued under secured business loan receivables issued by LoanX Kalmia Apr 2025

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
LoanX Kalmia Apr 2025	Series A1 PTCs	11.01	NA	4.18	[ICRA]A+(SO); upgraded from [ICRA]A(SO)

*Instrument details are provided in Annexure II

Rationale

The pass-through certificates (PTCs) are backed by a pool of secured business loan receivables originated by Kaabil Finance Private Limited (KFPL/Originator; rated [ICRA]BBB- (Stable))⁶. KFPL is also the servicer for the transaction.

The rating upgrade factors in the build-up of the credit enhancement cover over the future PTC payouts on account of high pool amortisation. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection levels observed in the pool till the May 2026 payout month.

Pool performance summary

Parameter	LoanX Kalmia Apr 2025
Payout	May 2026
Months post securitisation	13
Pool amortisation	32.47%
Series A1 PTC amortisation	62.03%
Cumulative prepayment rate	17.18%
Cumulative collection efficiency ¹	99.17%
Loss-cum-0+ days past due (dpd) ²	6.00%
Loss-cum-30+ dpd ³	2.63%
Loss-cum-90+ dpd ⁴	0.00%
Cumulative cash collateral (CC) utilisation	0.00%
CC available (as % of balance pool)	7.40%
Excess interest spread (EIS; as % of balance pool) ⁵	52.77%
Principal subordination (% of balance pool principal)	53.29%

¹ (Cumulative current and overdue collections till date)/Cumulative billing till date

² Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 0 days, as a % of Initial pool principal

³ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 30 days, as a % of Initial pool principal

⁴ Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal

⁵ (Pool cash flow till PTC maturity month – Cash flow to PTC Series A1 – Originator's residual share)/Pool principal outstanding

⁶ The current rating rationale of the Originator, available at this [link](#), provides its detailed rating history and rating transitions

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 flow from the pool, after meeting the promised and expected payouts, will be used for the prepayment of Series A1 PTC principal. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

Key rating drivers and their description

Credit strengths

Healthy pool performance – The pool's performance has been healthy with a cumulative collection efficiency of 99.2% till the May 2026 payout month. This has resulted in low delinquencies with nil 90+ days past due (dpd). The breakeven collection efficiency is also low compared to the collection efficiency observed in the pool.

Substantial build-up in credit enhancement cover – The rating factors in the build-up in the credit enhancement cover with the subordination increasing to ~53% of the balance pool principal from 16.0% at the time of securitisation. Further, there have been no instances of cash collateral utilisation till date owing to the strong collection performance and the presence of subordination and EIS in the transaction.

Contracts backed by self-occupied residential properties – The entire pool is backed by self-occupied residential properties. This is expected to support the quality of the pool as it has been observed that borrowers tend to prioritise repayments towards such loans even during financial stress.

Credit challenges

Limited track record of servicing capability – KFPL is in a nascent stage of operations. Although it commenced operations in FY2017, disbursements picked up from FY2023. Thus, the company is yet to establish a long vintage of servicing loans.

High geographical concentration – The pool has high geographical concentration with a single state, viz. Rajasthan, contributing ~100% to the principal amount. Its 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 the rating of securitisation transactions involves the simulation of potential losses, delinquencies and prepayment 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 3.75% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 7.2% to 27.0% 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 follows:

Transaction name	LoanX Kalmia Apr 2025
Originator	Kaabil Finance Private Limited
Servicer	Kaabil Finance Private Limited
Trustee	Axis Trustee Services Limited
CC holding bank	AU Small Finance Bank
Collection and payout account bank	ICICI Bank

Liquidity position: 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 more than 17 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors – The sustained weak collection performance of the underlying pool of contracts (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 (KFPL) could also exert pressure on the rating.

Analytical approach

The rating action is based on the performance of the pool till the May 2026 payout month, the present delinquency profile of the pool of contracts, the performance expected over the balance pool tenure, and the credit enhancement available in the transaction.

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the originator

Kaabil Finance Private Limited (KFPL) operates in the secured micro, small and medium enterprise (MSME) segment across India's tier 3/4/5+ towns. As a dedicated non-deposit taking non-banking financial company (NBFC), it specialises in providing secured business loans, particularly focussing on loan against property (LAP), tailored to meet the unique needs of small shopkeepers, vendors, and nano-entrepreneurs in rural India. KFPL commenced operations in 2017, providing secured business loans with a typical ticket size of Rs. 2-10 lakh and an average ticket size of Rs. 3-3.5 lakh. Its loans are predominantly backed by self-occupied residential properties. As on March 31, 2026, the company had 81 branches across 29 districts in Rajasthan.

Key financial indicators

Kaabil Finance Private Limited	FY2024 (audited)	FY2025 (audited)	FY2026 (unaudited)
Total income	24.3	47.7	73.6
Profit after tax	2.3	3.1	4.1
Total managed assets	135 .0	265.0	357.0
Gross NPA	3.9%	3.2%	4.5%
CRAR	49.0%	44.0%	45.2%

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	Current rating (FY2027)				Chronology of rating history for the past 3 years			
	Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026		Date & rating in FY2025	Date & rating in FY2024
				June 26, 2026	June 27, 2025	May 09, 2025	-	-
LoanX Kalmia Apr 2025	Series A1 PTCs	11.01	4.18	[ICRA]A+(SO)	[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 / nbfc/s/ 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 nbfc/s, Banks, hfcs, fis	RBI
12	Fixed Deposits raised by corporates other than nbfc/s, 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/nbfc/s/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	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Current rating
LoanX Kalmia Apr 2025	Series A1 PTCs	May 02, 2025	12.50%	September 28, 2031	4.18	[ICRA]A+(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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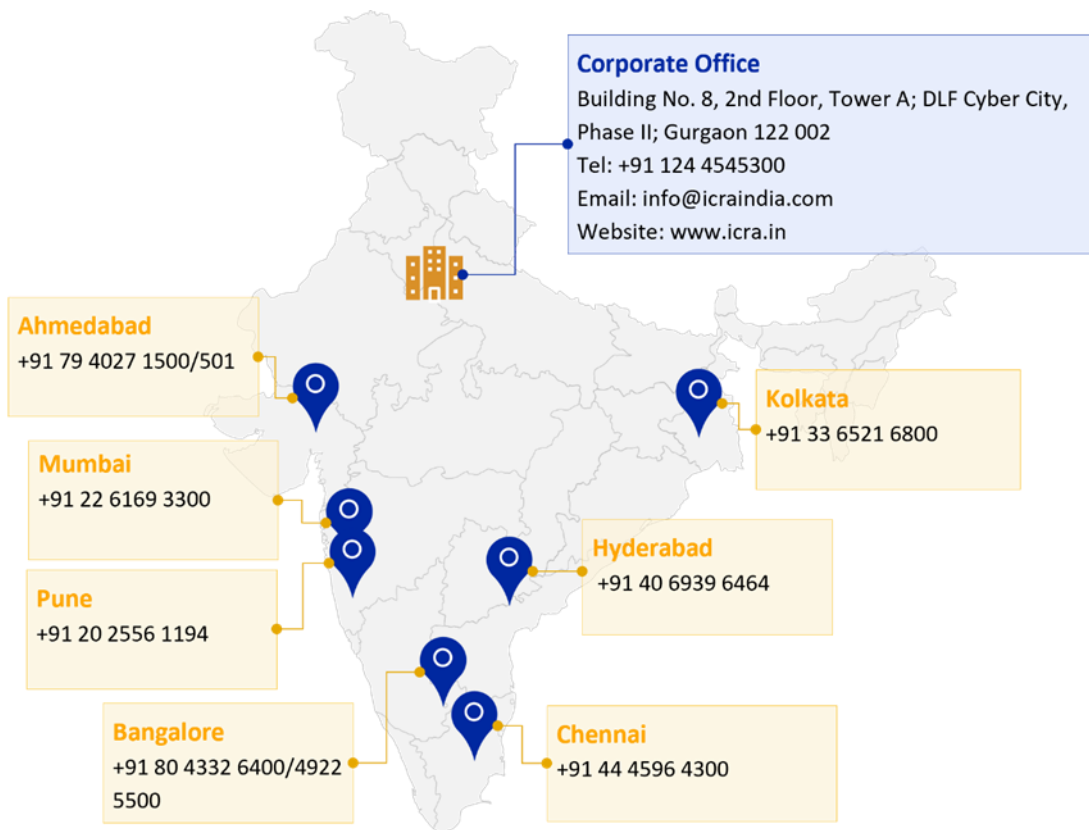
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