July 20, 2026

Kogta Financial India Limited: Ratings reaffirmed for PTCs issued under vehicle loan receivables securitisation transactions

Summary of rating action

Trust name	Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Hawaii 03 2025	Series A PTC	45.92	14.90	[ICRA]AA+(SO); reaffirmed	RBI
Florida 03 2025	Series A PTC	45.08	14.76	[ICRA]AA+(SO); reaffirmed	RBI

**Instrument details are provided in Annexure I*

#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.

Rationale

The pass-through certificates (PTCs) are backed by vehicle loan receivables originated by Kogta Financial India Limited {Kogta/Originator; rated [ICRA]A+(Stable)}[1]. Kogta is also the servicer for the transactions. The ratings reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of the high amortisation and healthy performance of the pools. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pools till the June 2026 payout month.

Pool performance summary

Parameter	Hawaii 03 2025	Florida 03 2025
Payout month	June 2026	June 2026
Months post securitisation	15	15
Pool amortisation (as % of initial pool principal)	61.7%	61.1%
PTC amortisation (as % if initial PTC principal)	67.6%	67.3%
Cumulative collection efficiency[2]	96.6%	96.3%
Monthly collection efficiency[3]	91.1%	90.9%
Loss-cum-0+ days past due[4] (dpd; % of initial pool)	9.3%	9.5%
Loss-cum-30+ dpd[5] (% of initial pool)	5.8%	5.8%
Loss-cum-90+ dpd[6] (% of initial pool)	2.3%	3.3%
Cumulative credit collateral (CC) utilisation	0.0%	0.0%
Breakeven collection efficiency[7]	58.8%	57.8%
Credit collateral (CC; % of balance pool)	13.1%	12.9%
Subordination (% of balance pool)	22.5%	23.0%
Excess interest spread (EIS; % of balance pool)[8]	11.8%	13.0%

[1] *The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions*

[2] *(Sum of Current Collection+ Overdue Collection+ Advance collection since inception)/(Sum of current Billing+ Overdue Billing since inception)*

[3] *(Current and overdue collections for the month)/(billing for the month)*

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

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

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

[7] *(Balance cash flows payable to investor – CC available)/Balance pool cash flows*

[8] *(Pool cash flows – Cash flows to Series A1 PTCs – originator's residual share)/Pool principal outstanding*

Transaction structure

Hawaii 03 2025

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. 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.

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.

Florida 03 2025

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.

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.

Key rating drivers and their description

Credit strengths

Build-up in credit enhancement – There is build-up of credit enhancement with CC increased to ~13% of the balance pool principal after the June 2026 payout month from 5.00% at the time of securitisation for both the transactions. Further, internal credit support is also available through subordination which increased to ~23% from 8.50% at the time of securitisation for both the trusts.

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

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 pools, ICRA has estimated the shortfall in the pool principal collection during its tenure at 2.50% and 3.25% for Hawaii 03 2025 and Florida 03 2025, respectively, 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.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

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

Liquidity position:

Superior for Hawaii 03 2025

The liquidity for the PTC instrument in the transaction is superior after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~6.25 times the estimated loss in the pool.

Strong for Florida 03 2025

The liquidity for the PTC instrument in the transaction is strong after factoring in the credit enhancement available to meet the promised payout to the investors. The total credit enhancement would be ~5.25 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 (Kogta) could also exert pressure on the rating.

Analytical approach

The ratings action is based on the performance of the pools till the June 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 transactions.

Analytical approach	Comments
Applicable rating methodologies	Securitisation Transactions
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, construction equipment and tractors. It also provides secured MSME loans and loan against property (LAP). The Jaipur-based company had 276 branches as on March 31, 2026, spread across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, Delhi NCR, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh, Uttarakhand and Chandigarh. Its AUM stood at Rs. 8,300 crore as on March 31, 2026 (Rs. 6,508 crore as on March 31, 2025). While the used vehicle financing segment accounted for 69% of the AUM as on March 31, 2026, the new vehicle financing segment's share stood at 14% with LAP/secured MSME loans accounting for 17%. Rajasthan accounted for 30% of the AUM as on March 31, 2026.

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 March 31, 2026. 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	FY2026
Total income	770	1,002	1,295
PAT	141	166	190
Total Managed Assets	6,004	7,993	10,141
Gross NPA	2.6%	3.3%	3.8%
CRAR	27.1%	34.5%	28.7%

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	Instrument	Current Rating (FY2027)			Chronology of Rating History for the Past 3 Years		
		Initial Amount Rated (Rs. crore)	Current amount rated (Rs. Crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
				Jul 20, 2026	Jul 18, 2025	Mar 27, 2025	-
Hawaii 03 2025	Series A PTC	45.92	14.90	[ICRA]AA+(SO)	[ICRA]AA+(SO)	**Provisional [ICRA]AA+(SO)**	-

Trust Name	Instrument	Current Rating (FY2027)			Chronology of Rating History for the Past 3 Years		
		Initial Amount Rated (Rs. crore)	Current amount rated (Rs. Crore)	Date & Rating in FY2027	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024
				Jul 20, 2026	Jul 18, 2025	Mar 27, 2025	-
Florida 03 2025	Series A PTC	45.08	14.76	[ICRA]AA+(SO)	[ICRA]AA+(SO)	**Provisional [ICRA]AA+(SO)**	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity indicator
Hawaii 03 2025	Series A PTC	Highly Complex
Florida 03 2025	Series A PTC	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	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Rating	Financial Sector Regulator#
Hawaii 03 2025	Series A PTC	March 27,2025	8.70%	February 19, 2030	14.90	[ICRA]AA+(SO)	RBI
Florida 03 2025	Series A PTC	March 27, 2025	8.70%	May 19, 2029	14.76	[ICRA]AA+(SO)	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Not applicable

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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.

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