

Bahamas 07 2025

Originator: Kogta Financial India Limited

October 16, 2025

Instrument [#]	Amount Rated ^{&} (₹ crore)	Rating ¹	Rating Action
Series A1 SNs	95.17	CARE AA+ (SO)	Final Rating Assigned

Details of instruments/facilities in Annexure-1.

[#] Securitisation notes (SNs) are rated based on timely payment of interest and payment of principal by the final legal maturity date.

[&]As on September 2025 payouts

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had assigned the rating of 'Provisional CARE AA+ (SO)' [pronounced as 'Double A Plus (Structured Obligation)'] to the Series A1 SNs, issued by Bahamas 07 2025, backed by a pool of vehicle and equipment loan receivables originated by Kogta Financial India Limited (KFL).

At the time of provisional ratings, CareEdge Ratings had stipulated cash collateral (CC) to be equivalent to 4.50% of the initial pool size. KFL has provided a fixed deposit equivalent to 4.53% of the initial pool size based on investor requirement. CareEdge Ratings views this update to be favourable in terms of protection available to investors.

The rating is now confirmed and 'CARE AA+ (SO)' [pronounced as 'Double A Plus (Structured Obligation)'] has been assigned to Series A1 SNs.

This rating was final based on following documents submitted to the satisfaction of CareEdge Ratings:

- a) Assignment agreement
- b) Collection and processing agent's agreement
- c) Cash collateral agreement
- d) Trust deed
- e) Power of attorney
- f) CC power of attorney
- g) Information memorandum
- h) Legal opinion from an independent legal counsel
- i) KYC audit report.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Delinquencies (90+ days past due [DPD] as percentage of initial principal outstanding [POS]) of less than 2% and sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Build-up of CC of over 2x the initial proposed (as a percentage of the balance POS).

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD as percentage of initial POS) of over 5% and the sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Utilisation of cash collateral.
- Deterioration in the credit profile of the originator.
- Non-adherence to key transaction terms envisaged at the time of the rating.

Analytical approach

The final rating is based on conformity of executed transaction documents with proposed structure of the transaction. The rating also factors inter alia, analysis of underlying pool of receivables, expected pool performance, performance of originator's portfolio and transaction structure including the proposed credit enhancement (CE).

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE Ratings Ltd.'s publications

Detailed description of key rating drivers

Ratings assigned are finalised based on the structure provided to CareEdge Ratings by KFL, the originator. Ratings have been confirmed after copies of legal documents executed in accordance with the structure, a due-diligence audit report by an external auditor, and an independent legal opinion was furnished by the originator (KFL), to the satisfaction of CareEdge Ratings.

Key strengths:

- Robustness of transaction structure and well-defined payment mechanism.
- Credit enhancement comprising CC, subordinated Series A2 SNs and EIS.
- No overdue contracts as on the pool cut-off date; all contracts were current since inception except for one contract that had a max DPD of 26 days as of pool cut-off date.
- Underwriting policies and collection capabilities of KFL.
- Moderate-weighted average seasoning (based on equated monthly installments [EMIs] paid) of ~12 months with amortisation of ~23% as of the pool cut-off date.

Key weakness:

- Underlying borrowers in the pool have volatile cashflows.

Liquidity: Strong

Inherent liquidity in the structure is strong. Interest payouts for Series A1 SNs are promised monthly, while principal of Series A1 SNs is promised to be paid by final legal maturity. In case of delinquencies, payouts are expected to be supported by CE consisting of CC, principal subordination in the form of subordinated Series A2 SNs and excess interest spread (EIS).

Key rating assumptions and adequacy of credit enhancement

CareEdge Ratings has analysed the transaction to assess whether CE is sufficient to cover shortfalls. Since the transaction is sensitive to the credit quality of the underlying pool, CareEdge Ratings has analysed monthly pool performance, performance of static pools provided by the originator and overall portfolio performance of the originator. Considering borrower profile, nature of the loan, pool characteristics, and portfolio performance, CareEdge Ratings has taken average shortfall at 5.00-6.00% of the POS. Base case shortfalls were stressed along with other key factors, such as the timing of shortfalls, the recovery assumptions, and the time to recovery. The pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayment in the range of 0.50-1.00%. CareEdge Ratings has stipulated CE, which is commensurate with credit rating of SNs.

Key risks, concerns and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties including trustee and banker among others.

Applicable criteria

[Policy on Default Recognition](#)

[CARE Ratings' methodology for asset/mortgage-backed securitisation](#)

About the originator / servicer and industry

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

Incorporated in 1996, KFL is a non-deposit taking Non-Banking Finance Company (NBFCND) mainly operating in Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. It is primarily engaged in financing used and new vehicles including commercial vehicles, multi utility vehicles, cars, and agriculture-based vehicles, among others, apart from financing loans against property (LAP). KFL is engaged in vehicle loan business for over 10 years and is an active player in securitization / bilateral market and as of May 31, 2025, KFL has 32 such live pools with initial size amounting to ~₹2,150 crore.

As on March 2025, the company's promoters hold 30.22% of its shares. Other significant shareholders include NHPEA V Kiwi (BVI) Limited (holds 10.75%), Aditya (Mauritius) Limited (holds 12.04%), Multiples Private Equity Fund III (holds 12.31%), Javelin Investments Private Limited (holds 7.70%) and others hold 26.97%. Romesh Sobti is the Additional Independent Director cum

Chairman while Arun Kogta (MD & CEO) looks after operations and geographical expansion activities, while Varun Kogta is the whole-time director and CFO.

KFL is currently disbursing loans in Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Punjab, Haryana, Chhattisgarh, Chandigarh, Delhi NCR, Uttar Pradesh, Uttarakhand, and Himachal Pradesh.

Key financial indicators - KFL

Particulars	FY24 (A)	FY25 (A)	Q1FY26 (A)
Total operating income (₹ crore)	766.65	1,001.56	287.31
PAT (₹ crore)	140.94	166.19	36.41
Interest coverage (times)	1.64	1.59	1.43
Total Assets (₹ crore)*	5,249.75	6,805.48	7,251.84
Net NPA (%)	1.30	1.77	1.71
ROTA (%)	3.10	2.76	2.07

A: Audited; Note: these are latest financial results available

*Net of deferred tax assets and intangible assets

Key terms of servicer contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the SPV in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises cash collateral in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. The terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities:

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Securitisation Notes	-	29-07-2025	8.35	20-12-2029	95.17	CARE AA+ (SO)

Annexure-2: Rating history for last three years:

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Securitisation Notes	LT	95.17	CARE AA+ (SO)	1)Provisional CARE AA+ (SO) (30-Jul-25)	-	-	-

LT-Long Term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Securitisation Notes	Highly complex

Annexure-5: Lender details

Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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