

August 18, 2025

Cars24 Financial Services Private Limited: Ratings withdrawn for PTCs issued under a used car loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Heather 03 2022	Series A1 PTC	14.25	0.40	0.00	[ICRA]AA+(SO); Withdrawn
	Series A2 PTC	0.64	0.64	0.00	[ICRA]A+(SO); Withdrawn
	Series A3 PTC	0.80	0.80	0.00	[ICRA]A(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under used car loan receivables originated by Cars24 Financial Services Private Limited (CFSPL/Originator), as tabulated above. All the payouts to the investors in the above-mentioned instrument has been made and no further payments are due to the investors.

The key rating drivers, liquidity position and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale of surveillance exercise is available at this [link](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Incorporated in September 2018, CFSPL is registered with the Reserve of India (RBI) as a non-banking financial company (NBFC). It is a wholly owned subsidiary of Cars24 Services Private Limited (CSPL). The company's lending operations are classified into two segments: Dealer Business Loan (DBL) and Retail Lending (RL).

DBL represents loans extended to used car dealers empanelled with CSPL. This is primarily a revolving line of credit extended to used car dealers. As on July 2025, CFSPL caters to ~10,000 used car dealers empanelled with CSPL. The DBL product is further classified into Unnati regular and Unnati plus. Under the RL segment, CFSPL provides loans to retail customers primarily for purchasing used cars. CFSPL started as a captive financing unit of its parent (CSPL). However, at present, 75% of its origination is through the leads generated by CSPL's online marketplace while the balance is through other channels (dealer partners). The company provides finance for the purchase of used cars to its customers.

Key financial indicators

CFSPL	FY2022	FY2023	FY2024*	FY2025**
	IGAAP	IGAAP	IndAS	IndAS
Total Income	78.0	163.6	287.9	321.2
Profit after Tax	(16.6)	1.6	18.4	13.0
Assets under Management	598	1,317	2,164	2,378
Gross Non-performing Assets (NPA)	0.5%	0.8%	1.2%	2.9%
Net NPA	0.0%	0.5%	0.6%	1.5%
Capital-to-risk weighted asset ratio (CRAR)	65.17%	90.89%	50.91%	42.37%

*Based on the auditor's suggestion, the entire credit enhancement of the PTC transactions has been deducted from the Tier-1 capital as against only FLCE part for CRAR calculation. Hence, CRAR has reduced significantly in FY24 compared to FY23, **Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Instrument	Initial Amount Rated (Rs. crore)	Current Rated Amount (Rs. crore)	Current Rating (FY2026)						Chronology of Rating History for the Past 3 Years			
					Date & Rating in FY2026		Date & Rating in FY2025		Date & Rating in FY2024		Date & Rating in FY2023			
					Aug 18, 2025	Jan 27, 2025	Jan 29, 2024	Jun 23, 2023	Jun 16, 2022	Apr 05, 2022^				
1	Heather 03 2022	Series A1 PTC	14.25	0.00	[ICRA]AA+(SO); withdrawn	[ICRA]AA+(SO)	[ICRA]A+(SO)	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)				
		Series A2 PTC	0.64	0.00	[ICRA]A+(SO); withdrawn	[ICRA]A+(SO)	[ICRA]A(SO)	[ICRA]BBB(SO)	[ICRA]BBB(SO)	Provisional [ICRA]BBB(SO)				
		Series A3 PTC	0.80	0.00	[ICRA]A(SO); withdrawn	[ICRA]A(SO)	[ICRA]BBB+(SO)	[ICRA]BB+(SO)	[ICRA]BB+(SO)	Provisional [ICRA]BB+(SO)				

^Initial ratings assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Heather 03 2022	Series A1 PTC	Moderately Complex
	Series A2 PTC	Moderately Complex
	Series A3 PTC	Moderately 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 analyzing 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, is available on ICRA's website: www.icra.in

Annexure I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Heather 03 2022	Series A1 PTC	March 30, 2022	10.65%	August 22, 2026	0.00	[ICRA]AA+(SO); Withdrawn
	Series A2 PTC		14.00%		0.00	[ICRA]A+(SO); Withdrawn
	Series A3 PTC		14.00%		0.00	[ICRA]A(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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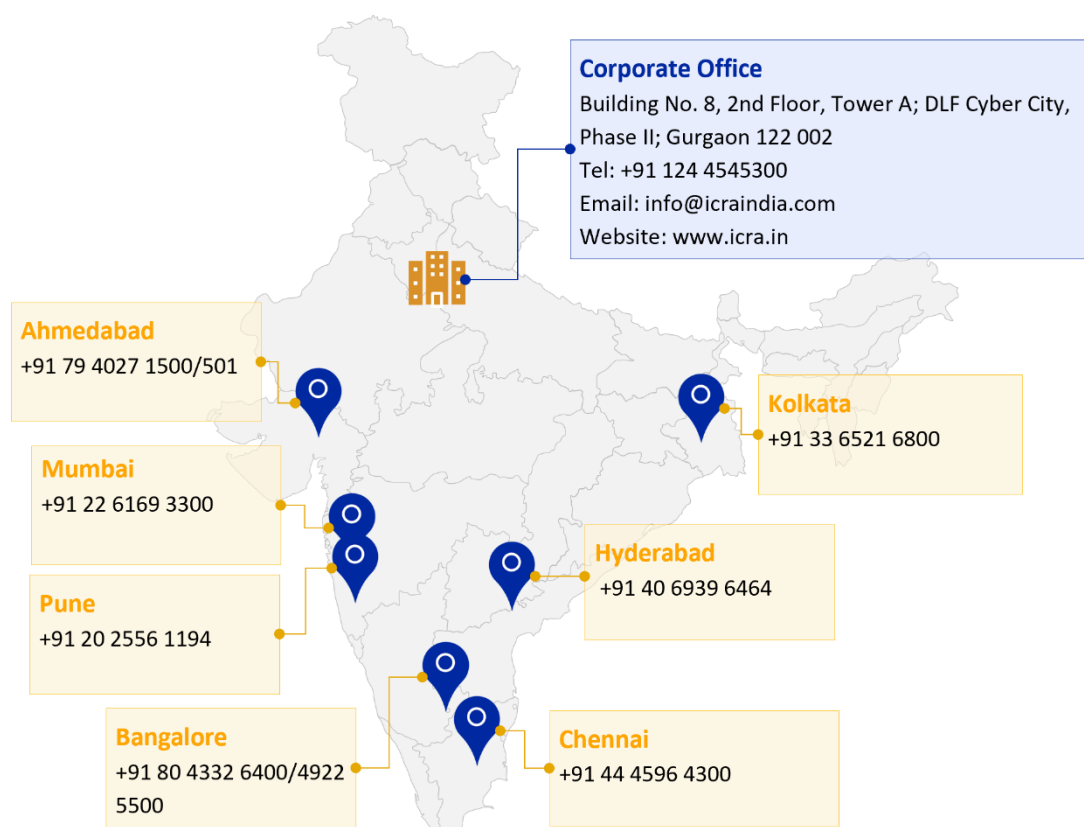


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