

July 17, 2024

Cars24 Financial Services Private Limited: Rating withdrawn for PTCs issued under used car loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
CredAvenue Kyrie 06 2021	PTC Series A2	1.20	1.03	0.00	[ICRA]A+(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by used car loan receivables originated by Cars24 Financial Services Private Limited (CF SPL). All the payouts to the investor in the above-mentioned instrument have been made and no further payments are due to the investor. 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liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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 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, CF SPL 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: digital business lending (DBL) and digital retail lending (DRL).

DBL represents loans extended to used car dealers empanelled with CSPL. This is primarily a revolving line of credit extended to used car dealers. Currently, CF SPL caters to ~10,000 used car dealers empanelled with CSPL. The DBL product is further classified into Unnati regular and Unnati plus. Under the DRL segment, CF SPL provides loans to retail customers primarily for purchasing used cars. CF SPL 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

CF SPL	FY2022	FY2023	FY2024*
	IGAAP	IGAAP	IndAS
Total income	78.0	163.6	273.7
Profit after tax	(16.6)	1.6	18.1
Assets under management	598	1,317	2,164
Gross non-performing assets (NPA)#	0.5%	0.8%	1.2%
Net NPA	0.0%	0.5%	0.6%

Capital-to-risk weighted assets ratio	65.17%	90.89%	78.15%
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Source: Company data, ICRA Research; Amount in Rs. crore; *Provisional financials; ^ Based on 90+ delinquency numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date and Rating in FY2025	Date and Rating in FY2024	Date and Rating in FY2023	Date and Rating in FY2022	
				Jul 17, 2024	Oct 30, 2023	Oct 27, 2022	Oct 20, 2021^	Jul 14, 2021*
CredAvenue Kyrie 06 2021	PTC Series A2	1.20	0.00	[ICRA] A+(SO); withdrawn	[ICRA] A+(SO)	[ICRA]BBB(SO)	[ICRA]BBB(SO)	Provisional [ICRA]BBB(SO)

* Initial rating assigned

^ Final rating assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
CredAvenue Kyrie 06 2021	PTC Series A2	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	Current Amount Rated (Rs. crore)	Current Rating
CredAvenue Kyrie 06 2021	PTC Series A2	June 30, 2021	14.00%	November 22, 2025	0.00	[ICRA]A+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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