

September 19, 2025

Girnar Software Pvt. Ltd.: Rating upgraded to [ICRA]BBB- (Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Compulsorily convertible debentures (CCDs)	49.00	49.00	[ICRA]BBB- (Stable); upgraded from [ICRA]BB+ (Stable)
Total	49.00	49.00	

*Instrument details are provided in Annexure I

Rationale

The rating action reflects ICRA's expectations of an improvement in the credit profile of Girnar Software Private Limited (GSPL), supported by a recent fund raise in its South East Asia (SEA) business. The SEA entity has raised fresh funds of \$15 million from existing investors, significantly reducing the likelihood of material funding support from GSPL and providing comfort from the credit perspective. ICRA also notes that the reclassification of the SEA business from a subsidiary to an associate will limit the financial impact on GSPL's consolidated financials from FY2026 as only GSPL's share of profit or loss will be recognised. This structural change is expected to reduce the drag on the consolidated performance.

While GSPL has demonstrated a notable reduction in the operating losses over the years, breakeven at the consolidated level in the recent past has remained constrained by material losses in the insurance and SEA segments. The operating losses reduced to approximately Rs. 292 crore in FY2025, from Rs. 537 crore in FY2023, primarily driven by the strategic downsizing of the loss-making used car business and expansion in higher-margin segments such as new cars and financial services. ICRA anticipates further improvement in profitability for the group over the medium term, underpinned by gradual improvement in core business verticals—namely new cars, used cars, Revv, Carrum, and financial services.

Although the insurance and SEA segments are expected to continue incurring cash losses in the near-to-medium term, they are likely to independently raise funds to meet their funding requirements. ICRA notes that the Group is also pursuing a merger of its insurance business (InsuranceDekho) with RenewBuy (which is subject to requisite approvals), which is expected to reclassify the segment as an associate entity and developments on this front remain a monitorable.

The rating continues to factor in GSPL's established market position in the Indian online auto-tech space, spanning both new and used car segments. The company's robust liquidity and financial flexibility are supported by its ability to attract significant investments from reputed private equity (PE) firms. Since its inception, GSPL has secured significant commitments across multiple funding rounds, which has enabled it to limit reliance on external borrowings to working capital needs.

In FY2025, the Group's operating income (GSPL and subsidiaries) grew by ~17.5%, reaching Rs. 2,644 crore (as per provisional financials). This growth was achieved despite a strategic scale-down of the asset-heavy used car business and a material decline in the SEA segment, attributed to subdued demand in the region. The impact of these headwinds was offset by strong performance in the insurance and financial services segments, along with healthy traction in the new car business. Additionally, revenues from acquired entities, Revv and Carrum, contributed approximately Rs. 115 crore in FY2025, further supporting its top line growth.

Looking ahead, GSPL's ability to improve profitability and raise incremental capital (as and when needed) to scale up across segments will be pivotal to its credit profile. Sustaining relevance and profitability in a highly competitive, tech-driven industry will also be critical, necessitating continuous innovation and investment in technology to maintain a competitive edge.

The Stable outlook on the long-term rating reflects ICRA's expectation that GSPL will continue to occupy an established position in the auto-tech market over the medium term. Further, a comfortable capital structure and liquidity would help the company navigate the ramp-up in its various business segments or other contingencies.

Key rating drivers and their description

Credit strengths

Established position as a leading online auto classifieds portal – GSPL is an established participant in the online auto classifieds sector. Cardekho.com, GSPL's primary web portal, leads the market in terms of customer visits and caters to both new and used car segments. In addition, GSPL has firmed up its presence in the insurance and finance segments over the years. Earlier, the Group primarily focused on financing of used cars, however, it has recently forayed into personal lending and has plans to start lending for commercial vehicles as well. GSPL's scale of operations has expanded considerably over time through organic as well as inorganic growth strategies, which have further secured the Group's position in an increasingly competitive market.

Strong growth prospects across businesses over medium term – GSPL's presence across diverse yet interconnected segments of new auto, used auto, insurance and finance businesses, backed by a competitive technology platform, provides the Group with a strong position in a growing market. The company acquired Revv, a car rental and subscription business in FY2024, and Carrum, a B2B mobility services company engaged in the business of operating a fleet of four-wheelers and providing vehicle fleet management services to ride hailing companies, in FY2025. The acquisitions have helped further expand the Group's offerings in the auto tech sector. The company is expected to witness a healthy growth over the medium term with financial services segment scaling up at a good pace and further the Group is expected to enhance its offering in the autotech segment with inorganic growth opportunities as well.

Financial flexibility provided by strong investor base, comfortable liquidity position – GSPL benefits from a series of fund raises from prominent private equity (PE) investors such as Peak XV partners, Hillhouse CD Holdings, Lenarco, and Ping An, among others. The parent company raised its latest round of equity worth \$160 million (~Rs. 1,195 crore) in October 2021, which was led by Leapfrog Investments. Subsequently, the Group raised funds worth ~\$110 million (~Rs. 802 crore) for the insurance business in FY2023. Further, in FY2024, the company raised ~Rs. 310 crore and Rs. 320 crore in InsuranceDekho and Carbay Pte Ltd (Singapore), respectively, and in FY2025, it raised Rs. 411 crore and Rs. 172 crore, respectively. In FY2026, the firm raised fresh funds of \$15 million in SEA business. GSPL's ability to continue to raise funds to support its growth and expansion plans while maintaining adequate liquidity (cash and investments of ~Rs. 1,691 crore as of July 31, 2025, at a consolidated level) continues to provide comfort.

Credit challenges

Operating losses have weighed down credit metrics – The company continues to record substantial operating losses, driven by its attempt to scale up operations across segments, which constrain its credit metrics. While the bulk of the expenses emanate from outlay towards employees and advertising, both of which are expected to be better absorbed with an increase in scale of operations, the Group's ability to touch breakeven at a consolidated level and raise timely funds to scale up operations remain crucial for improving its credit metrics. However, with reclassification of the company's SEA business segment as associate, the company is expected to witness an improvement in profitability as the segment had been recording cash losses, which weighed on the Group's profitability. The company is also in the process of reclassifying its insurance business, which is expected to occur as and when approval for InsuranceDekho-RenewBuy merger is received from the regulators.

Intense competition in key operating segments – Even though the company operates across multiple segments, it remains exposed to intense competition across these segments, owing to presence of many organised players, such as Cars24, Spinny, Droom and CarTrade in the auto tech segment and PB Fintech Private Limited (PolicyBazaar) and start-ups such as Turtlemint in the insurance sector. This reduces pricing flexibility, increases selling/branding expenses and is likely to affect the consolidated profitability of the Group.

Exposure to slowdown in automobile sector and other exogenous shocks – The entity operates across various segments – auto tech, insurance, financial services, etc. However, for GSPL, non-auto segments account for the major portion of the consolidated operating income, but the major part of its revenues is driven by the automobile sector. Hence, the Group

remains exposed to exogenous shocks, which may adversely impact demand in the automotive industry and constrain its scale of operations.

Liquidity position: Strong

The company's liquidity is expected to remain strong in the near-to-medium term. The Group has repayment liabilities of Rs. 22 crore in FY2026 and Rs. 20.5 crore in FY2027 and plans to incur capital expenditure of Rs. 10-12 crore in FY2026. Although free cash flows have remained negative, the Group has met its funding requirements through fund raises from various PE players. A healthy cash and investment balance (~Rs. 1,691 crore as of July 31, 2025) provides comfort regarding the company's ability to meet its obligations in a timely manner.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if there is a substantial improvement in the company's scale of operations and profitability, while maintaining a comfortable liquidity position.

Negative factors – ICRA could downgrade the rating if there is a weakening in the liquidity position of the entity, led by higher than anticipated cash losses or significant capex undertaken.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology IT - Software & Services
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of GSPL. The details are given in Annexure II.

About the company

Incorporated in 2006 as a software service provider, GSPL started providing online search-related services and information on new automobiles to consumers and automobile dealers in 2008. The Group connects automobile dealers, OEMs and customers through several websites such as Cardekho.com, Trucksdekho.com, Bikedekho.com, Pricedekho.com, gaadi.com and zigwheels.com, among others. GSPL derives revenues through lead conversion, advertisements, and direct sale of used autos, operating across B2B, B2C and D2C segments. Additionally, it facilitates financing and insurance of automobiles by integrating the same on its portals. In FY2022, the Group started loan servicing for banks and other NBFC via its platform, Rupyy. The company also entered personal lending space in FY2024.

The company diversified into other Southeast Asian markets (accounted for ~13% of revenues in FY2024) including Indonesia (in September 2016, organised the online auto classifieds segment through its portal, Oto.com), The Philippines (through acquisition of Carmudi, a leading new auto player in the Philippines, in November 2019), Malaysia (entered in December 2020) and newly launched in Thailand (through zigwheels.co.th). In these markets, the Group derives revenues through its classifieds, lead generation and financial services. In FY2026, the company raised funds from Malaysian Fund Navis Capital Partners, leading to a reduction in its shareholding in the entity to below 50% and reclassification of the firm as associate.

In FY2025, the company acquired Primemover Mobility Technologies Private Limited (Revv) and Carrum Mobility Solutions Private Limited. Revv is a car rental service wherein cars for rent are available on the company's platform. The company's shareholding in the Revv business stood at ~92% as of June 2025. Carrum is a fleet ownership model, in which the company's owned and operated cars are listed on Uber and Uber Black for booking. Carrum has a fleet of ~1,500 cars as of June 2025.

The Group is backed by investors including Peak XV Partners, Hillhouse Capital, Capital G, Ratan Tata Trust, Leap Frog, HDFC Bank, ICICI Bank and Axis Bank.

Key financial indicators (audited)

GSPL Consolidated	FY2023	FY2024	FY2025*
Operating income	2,334.1	2,250.4	2,684.6
PAT	(517.0)	(279.6)	(256.0)
OPBDIT/OI	-23.0%	-16.0%	-10.9%
PAT/OI	-22.2%	-12.4%	-9.5%
Total outside liabilities/Tangible net worth (times)	0.4	0.4	0.5
Total debt/OPBDIT (times)	(0.5)	(1.1)	(2.2)
Interest coverage (times)	(26.0)	(12.0)	(5.8)

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current ratings (FY2026)					Chronology of rating history for the past 3 years					
FY2026					FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Compulsorily Convertible Debentures	Long-term	49.00	Sep 19, 2025	[ICRA]BBB- (Stable)	Jun 28, 2024	[ICRA]BBB- (Stable)	Jun 30, 2023	[ICRA]BBB- (Stable)	Jun 30, 2022	[ICRA]BBB- (Stable)
			Jun 30, 2025	[ICRA]BB+ (Stable)						

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based –Compulsorily Convertible Debenture	Simple

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

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE731P08023	Compulsorily Convertible Debentures	Jan 9, 2019	0.00001%	Jan 8, 2029	49.00	[ICRA]BBB- (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Girnar Software Private Limited	100.00% (rated entity)	Full consolidation
Gaadi Web Private Limited	51.00%	Full consolidation
Girnarsoft Automobiles Private Limited	100.00%	Full consolidation
Girnar Care Private Limited	100.00%	Full consolidation
Carbay Pte Ltd (Singapore)	49.34%	Full consolidation
PT Carbay Services Indonesia	99.99% (wholly held by Carbay Pte Ltd)	Full consolidation
Carbay Philippines Inc	100% (wholly held by Carbay Pte Ltd)	Full consolidation
Pt. Finsso Nusantara Finance	85.00% (wholly held by Carbay Pte Ltd)	Full consolidation
OTO (Thailand) Co. Ltd.	49% (wholly held by Carbay Pte Ltd)	Full consolidation
Carbay Finserv Pte. Ltd. (Singapore)	100% (wholly held by Carbay Pte Ltd)	Full consolidation
Carbay Services Malaysia Sdn. Bhd.	100% (wholly held by Carbay Pte Ltd)	Full consolidation
Carbay Services Private Limited (India)	100% (wholly held by Carbay Pte Ltd)	Full consolidation
Finsso Finance Corporation (Philippines)	99.99% (wholly held by Carbay Finserv Pte. Ltd)	Full consolidation
Girnar Software (SEZ) Private Limited	100.00%	Full consolidation
Powerdrift Studios Private Limited	100.00%	Full consolidation
Girnar Ruppy Fintech Private Limited	100.00%	Full consolidation
Girnar Insurance Brokers Private Limited	51.32%	Full consolidation
Girnar Finserv Private Limited	52.07%	Full consolidation
PrimeMover Mobility Technologies Private Limited	92.02%	Full consolidation
Carrum Mobility Solutions Private Limited	63.37%	Full consolidation
Girnar Software Technologies Limited	94.34%	Full consolidation
BiUP Technologies Private Limited	35%	Equity Method
Girnar AI Innovations Lab Private Limited	35%	Equity Method
Girnar Education Services Private Limited	38.46%	Equity Method
Getmyuni Education Services Private Limited	100% (wholly held by Girnarsoft Education services Private Limited)	Equity Method
PrepBytes Technologies Private Limited	100% (wholly held by Girnarsoft Education services Private Limited)	Equity Method
Girnar Capital Private Limited	20.76%	Equity Method

Source: Shared by company as on August 18, 2025; Note: ICRA has factored in the consolidated financials of GSPL while arriving at the rating;

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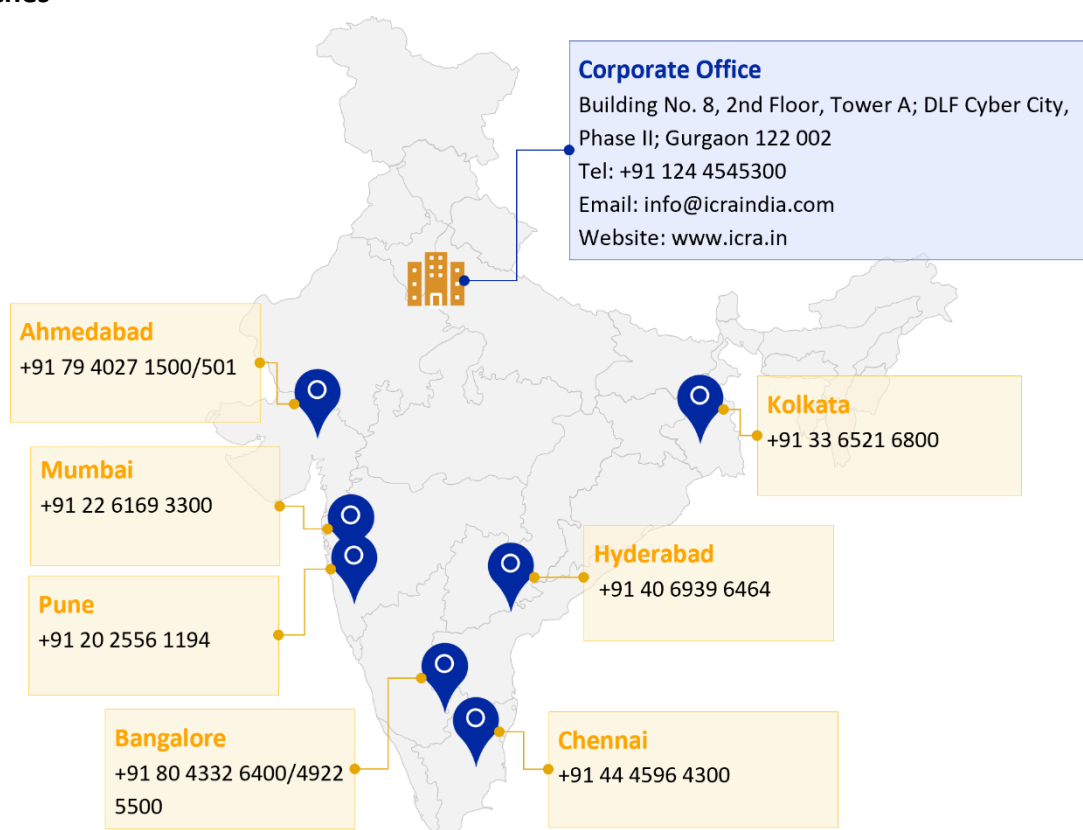
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