January 14, 2026

Cars24 Financial Services Private Limited: Ratings withdrawn for PTCs issued under a used car loan securitisation transaction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
Cadence 09 22	Series A1 PTC	21.55	4.11	0.00	[ICRA]A+(SO); Withdrawn
	Series A2 PTC	1.21	1.21	0.00	[ICRA]A(SO); Withdrawn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ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under used car loan receivables originated by Cars24 Financial Services Private Limited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 instruments have 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liquidity position and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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, Cars24 Financial Services Private Limited (CFSPL), is registered with The Reserve of India (RBI) as a non-banking financial company (NBFC). CFSPL is a wholly owned subsidiary of Cars24 Services Private Limited (Cars 24).

CFSPL is into used vehicle financing business. The company serves as the captive financing unit of its parent and extends funding to customers purchasing car through Cars 24's online platform. The lending operations of the company are classified into two segments: dealer business loan (DBL) and retail lending (RL). DBL represents loans extended to used cars dealers emplaned with Cars 24. This is primarily a revolving line of credit extended to used cars dealers. Currently CFSPL caters to 538 used car dealers emplaned with Cars24 Services Private Limited. The DBL product is further classified into Unnati regular (revolving credit lines provided based on business relation with Cars 24 and past performance) and Unnati plus (additional credit facility provided to the dealer for purchasing cars from the open market). The RL product represents the consumer financing segment of CFSPL. This product was launched in June-20 and further scaled up in Dec-20. Currently, 60-65% of Cars 24's retail customers avail finance from CFSPL while the rest are largely self-financed.

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

Trust Name	Current Rating (FY2026)				Chronology of Rating History			
	Instrument	Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	
				Jan 14, 2026	Jan 27, 2025	Jan 29, 2024	Jan 11, 2023	Sep 30, 2022^
Cadence 09 22	Series A1 PTC	21.55	0.00	**[ICRA]A+(SO); withdrawn**	**[ICRA]A+(SO)**	**[ICRA]A(SO)**	**[ICRA]A+(SO)**	**Provisional [ICRA]A+(SO)**
	Series A2 PTC	1.21	0.00	**[ICRA]A(SO); withdrawn**	**[ICRA]A(SO)**	**[ICRA]BBB(SO)**	**[ICRA]BBB+(SO)**	**Provisional [ICRA]BBB+(SO)**

^Initial ratings assigned

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Cadence 09 22	Series A1 PTC	Highly Complex
	Series A2 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 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
Cadence 09 22	Series A1 PTC	September 28, 2022	10.90%	February 22, 2027	0.00	[ICRA]A+(SO); Withdrawn
	Series A2 PTC		Residual		0.00	[ICRA]A(SO); Withdrawn

Source: *Company*

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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