

April 24, 2026

Cars24 Financial Services Private Limited: Rating reaffirmed for instrument issued under one 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
Panamera 02 2025	Series A1 PTC	38.76	N.A.	21.82	[ICRA]A+(SO); reaffirmed

*Instrument details are provided in Annexure II

Rationale

The pass-through certificates (PTCs) are backed by used car loan receivables originated by Cars24 Financial Services Private Limited (CFSPL/Originator). CFSPL also acts as the servicer in the transaction.

The rating reaffirmation factor in the build-up of the credit enhancement cover over the future PTC payouts on account of high amortisation and healthy pool performance. The delinquencies in the transaction remained low with the 90+ days past due (dpd) at less than 1%. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed in the pools till the March 2026 payout month.

Pool performance summary

Parameter	Panamera 02 2025
Payout month	March 2026
Months post securitisation	13
Pool amortisation (as % of initial pool principal)	36.98%
SN/PTC amortisation	
Series A1 SN/PTC	43.71%
Series A2 SN/PTC	0.00%
Cumulative collection efficiency ¹	97.54%
Loss-cum-30+ (% of initial pool principal) ²	1.43%
Loss-cum-90+ (% of initial pool principal)	0.71%
Breakeven collection efficiency ³	
Series A1 SN/PTC	63.18%
Series A2 SN/PTC	0.00%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.00%
CC available (as % of balance pool principal)	7.93%
Principal Subordination (as % of balance pool principal)	
Series A1 SN/PTC	19.61%
Series A2 SN/PTC	10.09%
Excess interest spread (EIS; as % of balance pool principal)	
Series A1 SN/PTC	19.41%
Series A2 SN/PTC	19.41%
Cumulative prepayment rate ⁴	12.97%

¹ Cumulative current and overdue collections till date / Cumulative billings till date + Opening overdues

² POS on contracts aged 30+ dpd + Overdues / Initial POS on the pool

³ It is the minimum collection efficiency required over the balance tenure to ensure all investor payouts are met: (Balance cash flow payable to investor – Credit collateral available) / Balance pool cash flow

⁴ POS at the time of prepayment of contracts prepaid till date / Initial pool principal

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. A part of the residual cash flow from the pool (50% of the residual cash flows), after making the promised and expected payouts would be used for the prepayment of the Series A1 PTC principal while the remaining would be passed on to the Originator. Hence, the actual tenure of the PTC is expected to be shorter owing to such acceleration. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

Key rating drivers and their description

Credit strengths

Build-up in credit enhancement – The rating action factors in the build-up in the credit enhancement with the cash collateral increasing to 7.93% of the balance pool principal from 5.00% at the time of securitisation. Internal credit support is also available through principal subordination along with excess interest spread (EIS).

Healthy pool performance – Performance of the pool has been strong with cumulative collection efficiency above ~97% till Mar 2026 payout month and break-even collection efficiency comfortably lower than the monthly collection efficiency trend observed in the pool. For the current pool, the loss cum 90+ dpd has been below 1.0% in the last 12 months. Further, there have been no instances of cash collateral utilisation till date owing to strong collection performance and presence of EIS.

Adequate servicing capability of the originator – The company has adequate processes for servicing the loan accounts in the securitised pool. It has demonstrated a proven track record of regular collections and recovery across multiple geographies.

Credit challenges

Risks associated with lending business – The pool's performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 2.75% with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 4.8% to 18.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final ratings for the instruments.

Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction name	Panamera 02 2025
Originator	CFSP
Servicer	CFSP
Trustee	Vardhman Trusteeship Private Limited
CC bank	ICICI Bank
Collection and payout account bank	ICICI Bank

Liquidity position: Superior

The liquidity for PTC Series A1 is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be 7.75 times the estimated loss in the pool for PTC Series A1.

Rating sensitivities

Positive factors – The ratings could be upgraded on the strong collection performance of the underlying pool on a sustained basis, leading to the build-up of the credit enhancement (CE) cover for the remaining payouts.

Negative factors – Pressure on the ratings could emerge on the sustained weak collection performance of the underlying pool leading to higher-than-expected delinquency levels and CE utilisation levels. Weakening in the credit profile of the servicer (Cars24) could also exert pressure on the ratings.

Analytical approach

The rating upgrade is based on the performance of the pool till the March 2026 payout month (February 2026 collection month), the present delinquency profile of the pool, the credit enhancement available in the pool, and the performance expected over the balance tenure of the pool.

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the originator

Incorporated in September 2018, Cars24 Financial Services Private Limited (CFSP), is registered with The Reserve of India (RBI) as a non-banking financial company (NBFC). CFSP is a wholly owned subsidiary of Cars24 Services Private Limited (Cars 24).

CFSP 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: digital business lending (DBL) and digital retail lending (DRL). DBL represents loans extended to used cars dealers empaneled with Cars 24. This is primarily a revolving line of credit extended to used cars dealers. Currently CFSP caters to 538 used car dealers empaneled 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 DRL product represents the consumer financing segment of CFSP. 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 CFSP while the rest are largely self-financed.

CF SPL	FY2023	FY2024*	FY2025	9MFY2026**
	IGAAP	IndAS	IndAS	IndAS
Total Income	163.60	287.90	316.26	262.93
Profit after Tax	1.60	18.40	6.80	16.39
Assets under Management	1,317	2,178	2,380	2,420
Gross Non-performing Assets (NPA)	0.80%	1.20%	3.03%	1.70%
Net NPA	0.50%	0.60%	1.34%	0.68%
Capital-to-risk weighted asset ratio (CRAR)	90.89%	50.91%	40.67%	43.89%

**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 (FY2027)			Chronology of rating history for the past 3 years			
	Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
				Apr 24, 2026	Apr 22, 2025	Mar 04, 2025	-
Panamera 02 2025	Series A1 PTC	38.76	21.82	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under :

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under :

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure : SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Trust name	Instrument	Complexity indicator
Panamera 02 2025	Series A1 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 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 II: Instrument details

Trust name	Instrument	Date of issuance /Sanction	Coupon rate* (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Current rating
Panamera 02 2025	Series A1 PTC	February 21, 2025	10.00%	April 19, 2030	21.82	[ICRA]A+(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not applicable

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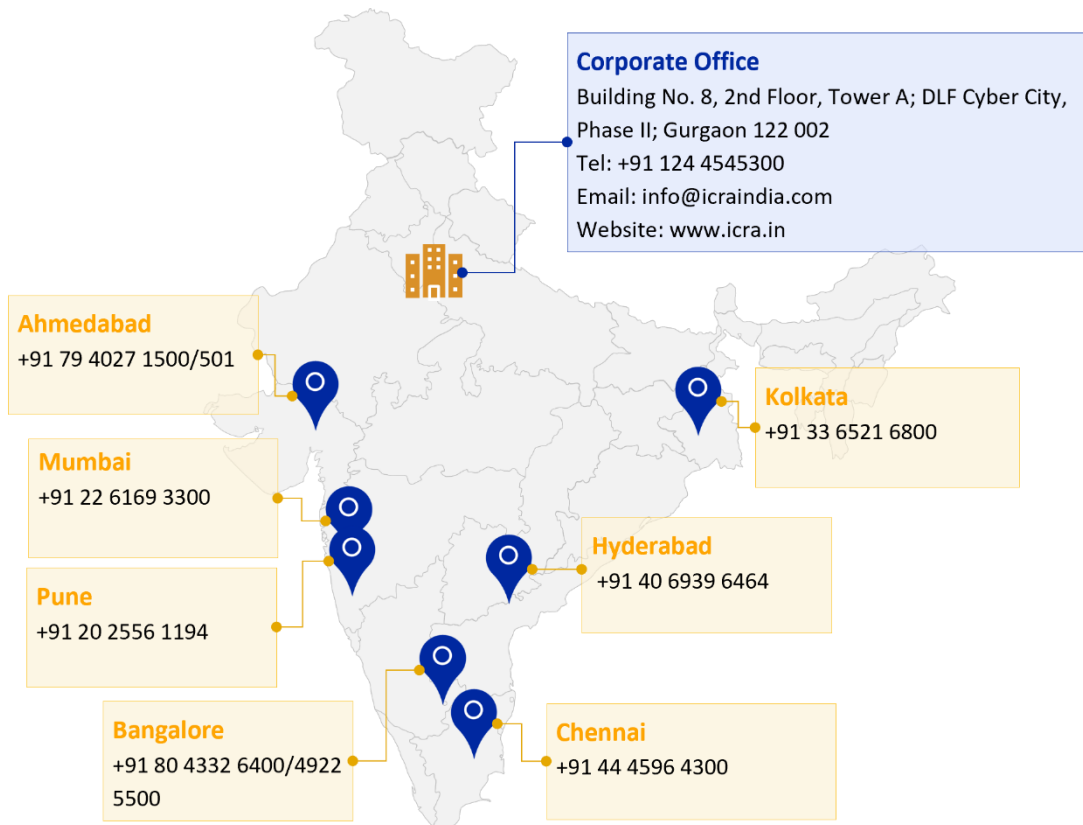
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