

February 20, 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Cars24 Financial Services Private Limited: Ratings withdrawn for PTCs issued under a used car loan securitisation transaction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
Rampling 01 2022	Series A2 PTC	0.95	0.95	0.00	[ICRA]A+(SO); Withdrawn
	Series A3 PTC	1.33	1.33	0.00	[ICRA]A(SO); Withdrawn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ICRA has withdrawn the ratings for the pass through certificates (PTCs) issued under used car loan receivables originated by Cars24 Financial Services Private Limited (CFSP/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liquidity position and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn.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, CFSP 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. Currently, CFSP 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, CFSP provides loans to retail customers primarily for purchasing used cars. CFSP 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

CFSP	FY2023	FY2024*	Q1 FY2025**
	IGAAP	IndAS	IndAS
Total income	163.6	287.9	84.8
Profit after tax	1.6	18.4	2.5
Assets under management	1,317	2,178	2,266
Gross non-performing assets (NPA)	0.8%	1.2%	1.4%
Net NPA	0.5%	0.6%	0.7%
Capital-to-risk weighted assets ratio (CRAR)	90.89%	50.91%	54.12%

Source: Company data, ICRA Research; Amount in Rs. crore; *Based on the auditor's suggestion, the entire credit enhancement of the PTC transactions has been deducted from the Tier I capital against only the first loss credit enhancement (FLCE) part for the CRAR calculation. Hence, the CRAR reduced significantly in FY2024 compared to FY2023; **Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Initial Rated Amount (Rs. crore)	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years				
			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	
				Feb 20, 2025	Jun 28, 2024			Mar 14, 2022	Feb 04, 2022
Rampling 01 2022	Series A2 PTC	0.95	0.00	[ICRA] A+(SO); withdrawn	[ICRA] A+(SO);	[ICRA] BBB(SO)	[ICRA] BBB(SO)	[ICRA]BBB(SO)	[ICRA]BBB(SO)
	Series A3 PTC	1.33	0.00	[ICRA] A(SO); withdrawn	[ICRA] A(SO);	[ICRA] BB(SO)	[ICRA] BB(SO)	[ICRA]BB(SO)	[ICRA]BB(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Rampling 01 2022	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	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Rambling 01 2022	Series A2 PTC	January 31, 2022	14.00%	June 22, 2026	0.00	[ICRA]A+(SO); Withdrawn
	Series A3 PTC	January 31, 2022	14.00%	June 22, 2026	0.00	[ICRA]A(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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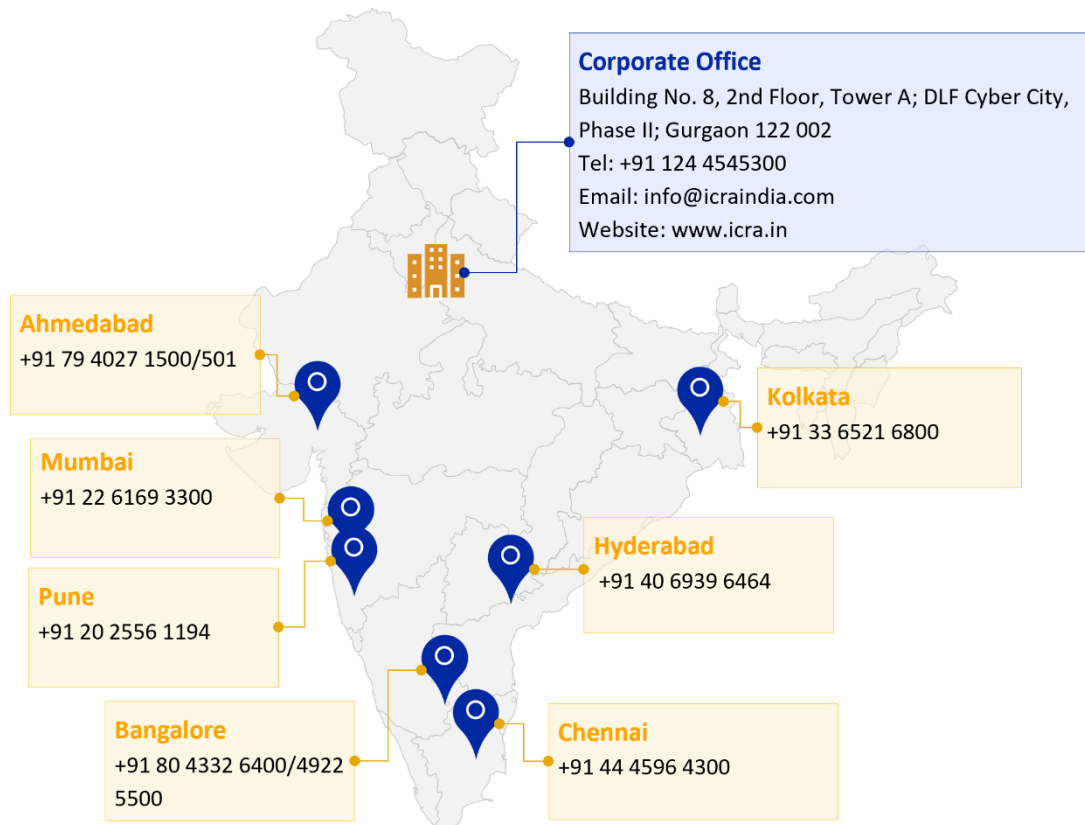
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