SPECTRE 02 2026

Originator: Cars24 Financial Services Private Limited

June 16, 2026

Instrument[#]	Amount Rated[&] (₹ crore)	Rating[1]	Rating Action
Series A1 SNs	43.47	CARE A+ (SO)	Final Rating Assigned
Series A2 SNs	2.86	CARE BBB+ (SO)	Final Rating Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

[#] The Series A1 SNs are rated for timely payment of interest and timely payment of 90.50% of the principal billing every month while the remaining 9.50% principal is promised to be paid by the final legal maturity date. The principal repayment to Series A2 SNs is promised by the final legal maturity date.

[&]As of May-26 payouts.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had assigned the rating of 'Provisional CARE A+ (SO)' [pronounced as 'Single A Plus (Structured Obligation)'] and 'Provisional CARE BBB+ (SO)' [pronounced as 'Triple B Plus (Structured Obligation)'] to the Series A1 SNs and Series A2 SNs, respectively, issued by SPECTRE 02 2026, backed by a pool of used car loan receivables originated by Cars24 Financial Services Private Limited (CFSPL).

Ratings are now confirmed and 'CARE A+ (SO)' [pronounced as 'Single A Plus (Structured Obligation)'] and 'CARE BBB+ (SO)' [pronounced as 'Triple B Plus (Structured Obligation)'] have been assigned to Series A1 SNs and Series A2 SNs.

These ratings were final based on the following documents submitted to the satisfaction of CareEdge Ratings:

a) Deed of assignment
b) Collection and processing agent's and servicing agent's agreement
c) Trust deed
d) Power of attorney
e) Information memorandum
f) Legal opinion from an independent legal counsel
g) KYC audit report.

CareEdge Ratings notes that the transaction documents incorporates a conditional turbo amortisation mechanism applicable to the Series A1 SNs. The executed documents indicate a revision in the coupon rate for the Series A1 SNs. As a result, the available excess interest spread (EIS) has increased to 18.10%.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Delinquencies (90+ days past due [DPD] percentage of initial principal outstanding [POS]) of less than 2% and sustained high collection efficiency (cumulative collection efficiency of over 98%).
- Sustained build-up of cash collateral (CC) of over 2x the initial proposed (as a percentage of the balance POS).

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Delinquencies (90+ DPD percentage of initial POS) of over 7% and sustained lower collection efficiency (cumulative collection efficiency of less than 90%).
- Deterioration in the credit profile of the originator.
- Utilisation of CC.
- Non-adherence to key transaction terms envisaged at the time of the rating.

[1]Complete definition of the ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Analytical approach

The final rating is based on conformity of the executed transaction documents with the proposed structure of the transaction. The rating also factors inter alia, analysis of the underlying pool of receivables, expected performance of the pool, performance of originator's portfolio, and transaction structure including the proposed credit enhancement.

Detailed description of key rating drivers

Ratings assigned are finalised based on the structure provided to CareEdge Ratings by CFSPL, the originator. The ratings have been confirmed after copies of the legal documents executed in accordance with the structure, a due-diligence audit report by an external auditor, and an independent legal opinion was furnished by the originator (CSFPL), to the satisfaction of CareEdge Ratings.

After May 2026 payout, the pool has amortised by ~7% in two months post-securitisation. Overdue (OD) (as a percentage of initial pool POS) is 0.09% with cumulative collection efficiency (CCE) of 98.88% and nil utilisation of CC.

Key strengths:

- Robustness of transaction structure and well-defined payment mechanism.
- CE comprising CC, subordinated Series A2 SNs (only for Series A1 SNs), subordinated over collateral (OC), and EIS.
- No overdue contracts as on the pool cut-off date; all contracts are current as on the pool cut-off date.
- Underwriting policies and collection capabilities of CFSPL.
- High-weighted average seasoning (based on equated monthly instalments [EMIs] paid) of ~11 months as of pool cut-off date.

Key weakness:

- Moderate concentration with top three states accounting for ~47% of the pool as on the cut-off date.

Liquidity:

Series A1 SNs: Adequate

Inherent liquidity in the structure is adequate. The transaction envisages timely payment of interest and 90.50% of the scheduled monthly principal billing. The balance 9.50% of the scheduled principal billing is promised to be paid by final legal maturity. In case of delinquency, payouts are expected to be supported by CE consisting of CC, principal subordination in the form of OC, principal subordination in the form of Series A2 SN and EIS.

Series A2 SNs: Adequate

The transaction envisages repayment of principal to Series A2 SNs only once Series A1 SNs principal is fully redeemed, and the principal is promised to be paid by final legal maturity. In case of delinquency, payouts are expected to be supported by CE consisting of CC, principal subordination in the form of OC and EIS.

Key rating assumptions and adequacy of credit enhancement

CareEdge Ratings has analysed the transaction to assess whether the CE is sufficient to cover the shortfalls. Since the transaction is sensitive to the credit quality of the underlying pool, CareEdge Ratings has analysed the monthly performance of pool, performance of static pools provided by the originator and the overall portfolio performance of the originator. Considering the borrower profile, nature of the loan, pool characteristics, and portfolio performance, CareEdge Ratings has taken the average shortfall at 5.50-6.50% of the POS. The base case shortfalls were stressed along with other key factors, such as the timing of shortfalls, the recovery assumptions, and the time to recovery. The pool cash flow has been further adjusted for prepayments of underlying loans, assuming monthly prepayments in the range of 0.50-1.00%. CareEdge Ratings has stipulated credit enhancement which is commensurate with credit rating of the pass-through certificates (PTCs).

Key risks, concerns, and mitigants:

The securitisation transaction involves several risks, including credit risk from borrower defaults, commingling risk due to time lags in fund deposits, prepayment risk from early principal repayments, servicer bankruptcy risk, legal risk regarding the validity of receivable transfers, and counterparty risk involving transaction parties. These risks are factored while assigning rating, wherever needed, and partially mitigated through credit enhancements, separate record-keeping, credit rating/profile of the originator, transaction structuring, true sale of receivables, legal opinion from independent legal counsel. The transaction structure also has provision to change counterparties, such as trustee and banker among others.

Applicable criteria

Policy on Default Recognition
CARE Ratings' methodology for asset/mortgage-backed securitisation

About the Originator / Servicer and industry

Industry classification

Macroeconomic Indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Securitisation

CARS24 Services Private Limited (CSPL) was founded in 2015 with a vision to change the way used cars are bought and sold in India while providing easy, fair and quick experience to sellers and buyers. The company was founded by Vikram Chopra, Mehul Agrawal, Ruchit Agarwal, and Gajendra Jangid. CARS24 Services is headquartered in Gurgaon, India. It is a wholly owned subsidiary of the Singapore-based company Global Car Group Pte Limited. An ISO 9001:2015 certified company, CSPL is a leading e-commerce platform for buying and selling used cars to Dealers (Wholesale model) and consumers (Retail Model). Incorporated on September 17, 2018, CFSPL is a professionally managed non-banking financial company (NBFC) registered with Reserve Bank of India in June 2019. The company is a wholly owned subsidiary of CSPL. The company offers financing options to its customers and channel partners (dealers tied-up with Cars24 Services). CFSPL is engaged in car loan business for over four years and is an active player in securitisation/bilateral market, and as on December 31, 2025, CFSPL has over 10 such live pools with initial size amounting to over ₹440 crore.

Key financial indicators - CFSPL

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	9MFY26 (P)
Total income	287.89	316.26	262.93
Profit after tax (PAT)	18.40	6.8	16.39
Assets under management (AUM)	2,177.63	2,380.46	2,461.49
AUM / Tangible net worth (TNW) (x)	5.85	6.83	NA
Gross Non-performing assets (GNPA) (%)	1.02	3.99	0.98
Net Non-performing assets (NPA) (%)	0.52	1.69	0.48
Return on managed assets (ROMA) (%)	NA	NA	NA
Return on total assets (ROTA) (%)	1.74	0.58	1.26
Capital adequacy ratio (CAR) (%)	50.91	40.67	43.89

A: Audited; P: Provisional; NA: Not available; Note: these are latest financial results available.

Key terms of Servicer Contract:

The servicing agreement has covered role of the originator as the Collection and Payment Agent (CPA) for the special purpose vehicle (SPV) in managing collections from underlying borrowers, who have consented to such assignment through provisions incorporated in the respective loan agreements. The Servicer (originator) follows its standard procedures for collections, including recovery actions, and ensures timely transfers of funds to the SPV under an M+1 payment structure. The trustee monitors the sufficiency of funds for investor payouts one day prior to payout date and utilises CC in case of shortfall. The Servicer is also submitting detailed reports on billing, collections (including prepayment), overdue amounts with aging thereof, cash flow schedules to the trustee and such other information as may be required by the trustee. The terms of the agreement have provisions for the appointment of an alternate servicer in case of servicer event of default.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instruments/facilities: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities:

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Securitisation Notes	INE2S0Q15012	23-02-2026	9.25	23-05-2031	43.47	CARE A+ (SO)
Securitisation Notes	-	23-02-2026	-	23-05-2031	2.86	CARE BBB+ (SO)

Annexure-2: Rating history for last three years:

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Securitisation Notes	LT	43.47	CARE A+ (SO)	-	1)Provisional CARE A+ (SO) (16-Feb-26)	-	-
2	Securitisation Notes	LT	2.86	CARE BBB+ (SO)	-	1)Provisional CARE BBB+ (SO) (16-Feb-26)	-	-

LT- Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of Instrument	Complexity Level
1.	Securitisation Notes	Highly complex

Annexure-5: Lender details

Not applicable

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

#There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

Note on the complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-2850 1000 E-mail: pradeep.kumar@careedge.in	Sriram Rajagopalan Director **CARE Ratings Limited** Phone: +91-22-6754 3652 E-mail: sriram.rajagopalan@careedge.in Chirag Gambhir Associate Director **CARE Ratings Limited** Phone: +91-22-6754 3423 E-mail: chirag.gambhir@careedge.in Amulya Bellam Analyst **CARE Ratings Limited** E-mail: amulya.bellam@careedge.in

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