

November 26, 2025

## WheelsEMI Private Limited: Rating reaffirmed for PTCs issued under a vehicle loan securitisation transaction

### Summary of rating action

Trust name	Instrument*	Initial amount (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Amount after Oct-25 Payout (Rs. crore)	Rating action
Buttercup 2024	Series A1 PTC	12.42	NA	3.35	[ICRA]A-(SO); reaffirmed

\*Instrument details are provided in Annexure I

### Rationale

The pass-through certificates (PTCs) are backed by vehicle loan receivables originated by WheelsEMI Private Limited {WheelsEMI/Originator, rated [ICRA]BBB (Negative)}. WheelsEMI is also the servicer for the rated transaction.

The rating reaffirmation factors in the build-up of the credit enhancement cover over the future PTC payouts on account of the high amortisation and moderate performance of the pool. The rating also draws comfort from the fact that the breakeven collection efficiency is lower than the actual collection level observed in the pool till the November 2025 payout month.

### Pool performance summary

Parameter	Buttercup 2024
Payout month	October 2025
Months post securitisation	15
Pool amortisation	69.4%
PTC amortisation	73.0%
Cumulative collection efficiency <sup>1</sup>	93.4%
Cumulative prepayment rate <sup>2</sup>	5.4%
Loss-cum-30+ (% of initial pool principal) <sup>3</sup>	10.9%
Loss-cum-90+ (% of initial pool principal) <sup>4</sup>	6.6%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.0%
CC available (as % of balance pool principal)	19.6%
Subordination (as % of balance pool)	20.7%
Excess interest spread (EIS) over balance tenure (as % of balance pool)	7.3%
Breakeven collection efficiency <sup>5</sup>	56.7%

<sup>1</sup> Cumulative collections till date / Cumulative billings till date + Opening overdues

<sup>2</sup> Principal outstanding at the time of prepayment of contracts prepaid till date / Initial pool principal

<sup>3</sup> POS on contracts aged 30+ dpd + Overdues / Initial principal outstanding on the pool

<sup>4</sup> POS on contracts aged 90+ dpd + Overdues / Initial principal outstanding on the pool

<sup>5</sup> It is the minimum collection efficiency required over the balance tenure to ensure all investor payouts are met: (Balance cash flows payable to investor – CC available) / Balance pool cash flows

## Transaction Structure

As per the structure, the tenure of the transaction is divided into two periods, viz. the replenishment period and the amortisation period. The replenishment period was for a period of 12 months from the transaction commencement date, which ended after the February 2025 on account of breach of certain predefined replenishment triggers. The transaction is now in the amortisation period and the first payout to Series A1 PTC was made in March 2025.

During the replenishment period, Series A1 PTC investors received only the promised interest payouts on a monthly basis. Following the interest payment, the balance pool principal collections were utilised to purchase additional loan receivables as per the eligibility criteria. Further, the PTCs were prepaid if there was a shortfall in assigning eligible contracts.

During the amortisation period, the monthly cash flow schedule comprises the promised interest payout to Series A1 PTC. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is entirely promised on the final maturity date. Any surplus EIS, after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the Series A1 PTC principal. The transaction has certain trigger events defined, on occurrence of which the residual cash flows would be passed on to Series A1 PTC investors.

## Key rating drivers and their description

### Credit Strengths

**Build-up of credit enhancement** – The rating factors in the build-up in the credit enhancement with the cash collateral (CC) increasing to 19.6% of the balance pool principal from 6.0% at the time of securitisation. Credit support is also available through subordination/over-collateralisation of 20.7% for Series A1 PTC and an excess interest spread (EIS) of 7.3% of the balance pool principal for both the tranches. Further, there have been no instances of cash collateral utilisation for the pool till date owing to presence of EIS in the transaction.

**Adequate servicing capability of WheelsEMI** – The Originator has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated a considerable track record of over a decade of regular collections across geographies and multiple economic cycles.

### Credit Challenges

**Moderate pool performance** – The pool performance has been moderate, with a cumulative collection efficiency of 93.4% as on November 2025 payout. The pool thus exhibits higher delinquency levels with loss-cum-0+ dpd at ~15% and loss-cum-90+ dpd ~7% after November 2025 payout month. Nonetheless, ICRA draws comfort from the buildup in credit enhancement due to pool amortization and low break-even collection efficiency compared to actual collections as on November 2025 payout month.

**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, which is now static following the end of the replenishment period, ICRA has estimated the shortfall in the pool principal collection during its tenure at 3.75% of the initial pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 2.4% to 9% 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 rating for the instrument.

## Details of Key counterparties

The key counterparties in the rated transactions are as follows:

Transaction Name	Buttercup 2024
Originator	WheelsEMI Private Limited
Servicer	WheelsEMI Private Limited
Trustee	MITCON Credentia Trusteeship Services Limited
CC holding bank	Suryoday Small Finance Bank Limited
Collection and payout account bank	ICICI Bank Limited

## Liquidity position: Strong

The liquidity for Series A1 PTC is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~3.75 times the estimated loss in the pool.

## Rating sensitivities

**Positive factors** – The sustained strong collection performance of the underlying pool of contracts leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

**Negative factors** – The sustained weak collection performance of the underlying pool of contracts leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

## Analytical approach

The rating action is based on the performance of the pools till October 2025 payout month (September 2025 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	<a href="#">Securitisation Transactions</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

## About the originator

WheelsEMI is a Pune based, registered non-deposit taking NBFC which provides financing for new as well as pre-owned two-wheelers and EV 3-wheelers. The company is promoted by Mr. Srinivas Kantheti and Mr. V Karunakaran who acquired Vardnarayan Savings and Investment Co Pvt Ltd., a small finance company based in Nanded, Maharashtra with a loan book of Rs. 35 lakh (at the time of acquisition) in 2017. WheelsEMI provides financing for low-income customers. Bike Bazaar Finance is the brand name of WheelsEMI Private Limited.

The company also has a 100% subsidiary named BluBird Auto Trade Private Limited, which was incorporated in April 2019. Blubird Auto Trade started its operations with purchasing, refurbishing and selling pre-owned two wheelers. However, now its primary business is leasing/ renting e-2-wheelers. Its customer base mainly consists of riders working for delivery apps.

**Key financial indicators (standalone; audited)**

	FY2024	FY2025	Q1FY2026*
Total income	253	305	70
Profit after tax	1	3	0.1
Total managed assets	1,635	1,834	1,838
Gross Stage 3 %/NPA**	8.0%	1.9%	4.9%
CRAR%	37.6%	22.5%	23.2%

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. Crore; \*\* On book

**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 for the past 3 years				
	Instrument	Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2026	Date & rating in FY2025		Date & rating in FY2024	Date & rating in FY2023
				November 26, 2025	November 04, 2024	July 30, 2024	-	-
<b>Buttercup 2024</b>	Series A1 PTC	12.42	3.35	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-

**Complexity level of the rated instrument**

Trust Name	Instrument	Complexity Indicator
<b>Buttercup 2024</b>	Series A1 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 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**

Trust name	Instrument type	Date of issuance	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Rating
<b>Buttercup 2024</b>	Series A1 PTC	July 24, 2024	11.75%	December 23, 2028	3.35	[ICRA]A-(SO)

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

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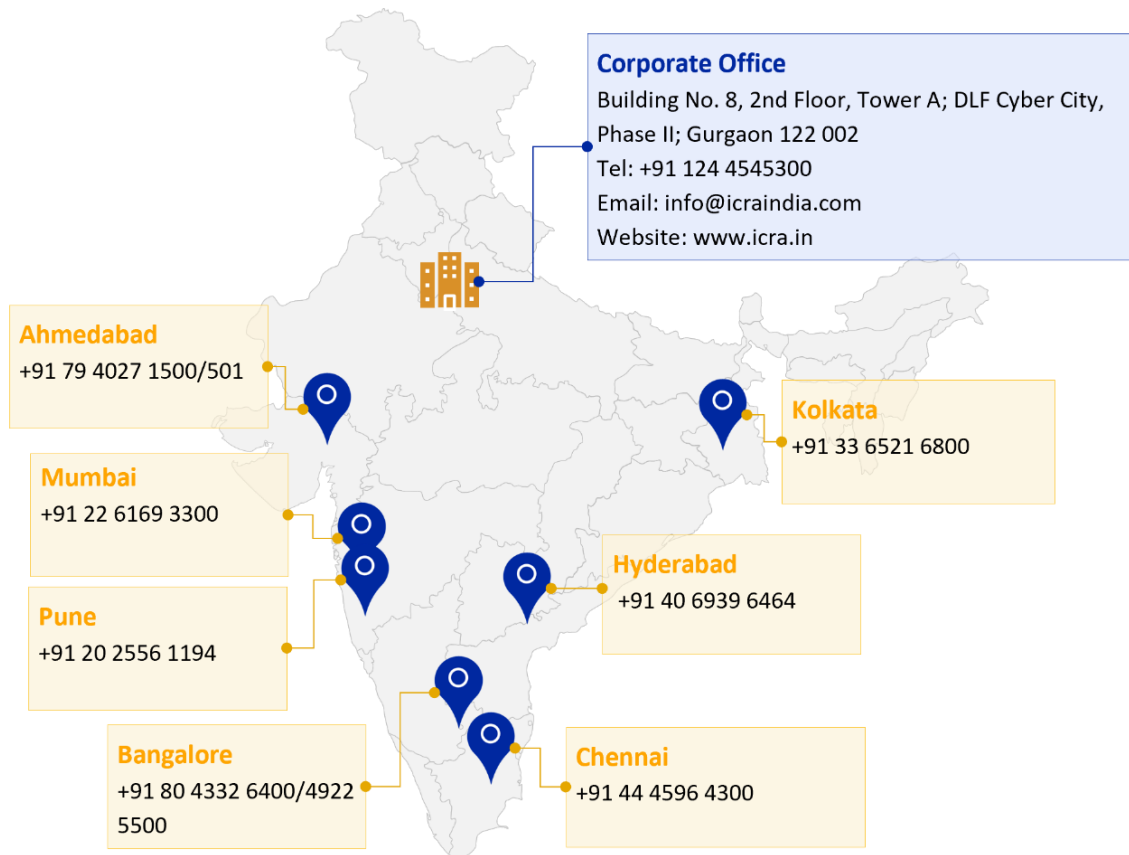
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