

February 27, 2026

## WheelsEMI Private Limited: Rating upgraded 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 Jan-26 Payout (Rs. crore)	Rating action
Sakura 09 2024	Series A1 PTC	22.83	NA	1.09	[ICRA]A+(SO); Upgraded from [ICRA]A-(SO)

\*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 upgrade factors in the build-up of the credit enhancement cover over the future PTC payouts on account of high pool amortisation and low expected balance tenor of the PTCs. 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 January 2026 payout month.

### Pool performance summary

Parameter	Sakura 09 2024
Payout month	January 2026
Months post securitisation	16
Pool amortisation	82.2%
PTC amortisation	95.2%
Cumulative collection efficiency <sup>1</sup>	93.9%
Cumulative prepayment rate <sup>2</sup>	3.9%
Loss-cum-30+ (% of initial pool principal) <sup>3</sup>	7.4%
Loss-cum-90+ (% of initial pool principal) <sup>4</sup>	5.5%
Cumulative cash collateral (CC) utilisation (% of initial CC)	0.0%
CC available (as % of balance pool principal)	44.9%
Excess interest spread (EIS) over balance tenure (as % of balance pool)	6.5%
Breakeven collection efficiency <sup>5</sup>	1.6%

<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 90+ dpd + Overdues / Initial principal outstanding on the pool

<sup>4</sup>POS on contracts aged 180+ 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 – Trapped EIS) / Balance pool cash flows

## 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. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events, the residual EIS every month shall be utilized for accelerating the principal payment due to Series A1 PTC. The event is triggered by downgrade in rating of pool or Originator, current collection efficiency falling below 88% for two consecutive months, portfolio at risk (PAR) 30 of the pool equal to or greater than 10% of the initial pool principal or PAR 90 of the pool equal to or greater than 5% if the initial pool amount. Any prepayment in the pool would be used for prepayment of Series A1 PTC principal.

## 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 44.9% of the balance pool principal from 8.0% at the time of securitisation. Credit support is also available through subordination/over-collateralisation of 76.4% for Series A1 PTC and an excess interest spread (EIS) of 6.5% 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 93.9% as on January 2026 payout. The pool thus exhibits higher delinquency levels with loss-cum-0+ dpd at ~10% and loss-cum-90+ dpd ~6% after January 2026 payout month. Nonetheless, ICRA draws comfort from the buildup in credit enhancement due to pool amortization and break-even collection efficiency of ~2% compared to actual collections as on January 2026 payout month.

**Risks associated with lending business** – The performance of the pool 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 3.00% 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 transaction are as follows:

Transaction Name	Sakura 09 2024
Originator	WheelsEMI Private Limited
Servicer	WheelsEMI Private Limited
Trustee	Vardhman Trusteeship Services Limited
CC holding bank	ICICI Bank Limited
Collection and payout account bank	ICICI Bank Limited

## Liquidity position: Superior

The liquidity for Series A1 PTC 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.

## 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

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Securitisation Transactions</a>
Parent/group Support	Not Applicable
Consolidation/standalone	Not Applicable

The rating action is based on the performance of the pools till January 2026 payout month (December 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.

## 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 of e-2-wheelers. Its customer base mainly consists of riders working for delivery apps.

**Key financial indicators (audited)**

	FY2024	FY2025	H1FY2026*
Total income	253.0	305.0	135.0
Profit after tax	0.6	2.8	0.4
Total managed assets	1,636	1,834	1,633
Gross Stage 3	5.4%	1.5%	2.6%
CRAR	37.6%	22.5%	22.9%

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
				February 27, 2026	February 24, 2025	October 04, 2024	-	-
Sakura 09 2024	Series A1 PTC	22.83	1.09	[ICRA]A+(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-

## Complexity level of the rated instruments

Trust Name	Instrument	Complexity Indicator
Sakura 09 2024	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 I: Instrument details

Trust name	Instrument type	Date of issuance	Coupon rate (p.a.p.m.)	Maturity date	Amount rated (Rs. crore)	Rating
Sakura 09 2024	Series A1 PTC	September 30, 2024	11.50%	February 12, 2028	1.09	[ICRA]A+(SO)

Source: Company

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

Not applicable

## ANALYST CONTACTS

**Manushree Sagar**

+91 124 4545 316

[manushrees@icraindia.com](mailto:manushrees@icraindia.com)

**Sumit Pramanik**

+91 22 6114 3462

[sumit.pramanik@icraindia.com](mailto:sumit.pramanik@icraindia.com)

**Shruti Jain**

+91 22 6114 3414

[shruti.jain2@icraindia.com](mailto:shruti.jain2@icraindia.com)

**Sachin Joglekar**

+91 22 6114 3470

[sachin.joglekar@icraindia.com](mailto:sachin.joglekar@icraindia.com)

**Pratik Vora**

+91 22 6114 3438

[pratik.vora@icraindia.com](mailto:pratik.vora@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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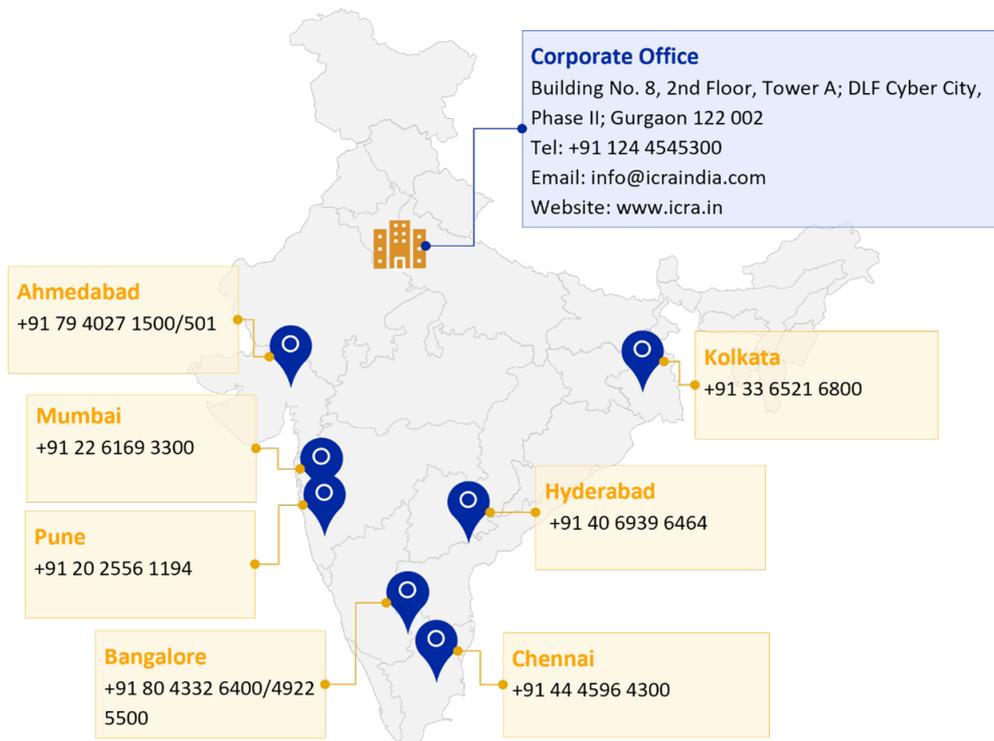


### Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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