

June 05, 2026

WheelsEMI Private Limited: Ratings confirmed as final for PTCs backed by vehicle loan receivables issued by FrostFall 01 2026

Summary of rating action

Trust name	Instrument*	Current rated amount (Rs. crore)	Rating action
FrostFall 01 2026	Series A1 PTCs	30.63	[ICRA]A(SO); provisional rating confirmed as final
	Equity Tranche	1.72	[ICRA]BBB+(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure II

Rationale

ICRA had assigned provisional ratings to pass-through certificates (PTCs) issued by FrostFall 01 2026 under a securitisation transaction originated by WheelsEMI Private Limited {WheelsEMI/Originator; rated [ICRA]BBB(Negative)}. The PTCs are backed by a pool of two-wheeler and three-wheeler loan receivables originated by WheelsEMI with an aggregate principal outstanding of Rs. 34.42 crore (underlying pool receivables of Rs. 43.73 crore). WheelsEMI would also act as the Servicer for the transaction.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for the transaction has been provided to ICRA, the said ratings have now been confirmed as final.

Pool performance summary

Parameter	FrostFall 01 2026
Payout Month	May 2026
Months post securitisation	4
Pool amortisation	17.7%
Series A1 PTCs amortization	24.3%
Equity Tranche PTC amortisation	0.0%
Cumulative prepayment rate	1.5%
Cumulative collection efficiency ¹	97.8%
Monthly collection efficiency	96.9%
Loss cum 0+ dpd ²	1.4%
Loss cum 30+ dpd ³	0.6%
Loss cum 90+ dpd ⁴	0.2%
Cumulative cash collateral utilisation	0.0%

Transaction structure

As per the transaction structure, the Equity Tranche payouts are completely subordinated to the Series A1 PTC payouts. The monthly cash flow schedule comprises the promised interest payout for Series A1 PTC. The principal to Series A1 PTC is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. After Series A1 PTC is entirely redeemed, the principal to Equity Tranche is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. The residual cash flows from the pool, after meeting the promised

¹ Cumulative collections (incl. advances)/ (Cumulative billings + Opening overdue at the time of securitisation)

² Principal outstanding on contracts aged 0+ dpd / Principal outstanding on the pool at the time of securitisation

³ Principal outstanding on contracts aged 30+ dpd / Principal outstanding on the pool at the time of securitisation

⁴ Principal outstanding on contracts aged 90+ dpd / Principal outstanding on the pool at the time of securitisation

and expected payouts, will be used for the prepayment of Series A1 PTC principal and post its redemption for prepayment of Equity Tranche. Any prepayment in the pool would be used for the prepayment of Series A1 PTC till its full redemption and subsequently it will be passed to Equity Tranche.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 7.00% of the initial pool principal, amounting to Rs. 2.41 crore, to be provided by the Originator, (ii) principal subordination of 11.00% of the initial pool principal for Series A1 PTCs and 6.00% for the Equity Tranche, and (iii) the Excess Interest Spread (EIS) of 19.09% of the pool principal for both the tranches

Key rating drivers and their description

Credit strengths

Granular pool supported by presence of credit enhancement – The current pool is granular, consisting of 4,844 contracts and top 10 contracts forming less than 1.00% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

Healthy bureau score of borrowers – Almost 94% of the contracts in the pool belong to borrowers with a CIBIL score of at least 700, which reflects their relatively better credit profile.

No overdue contracts in the pool – The pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Further, ~98% of the contracts in the pool have never been delinquent post loan disbursement, thereby reflecting the borrowers' relatively better credit profile, which is a credit positive.

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

High geographical concentration – The pool has high geographical concentration with the top 3 states, viz Uttar Pradesh, Bihar and Kerala, contributing ~63% to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

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 6.50% of the pool principal with certain variability around it. The average prepayment rate for the underlying pool is modelled in the range of 2.4% to 9.0% 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 mentioned below:

Transaction Name	FrostFall 01 2026
Originator	WheelsEmi Private Limited
Servicer	WheelsEmi Private Limited
Trustee	SBICAP Trustee Company Limited
CC holding bank	RBL Bank Limited
Collection and payout account Bank	ICICI Bank Limited

Liquidity position:

Strong for Series A1 PTCs

The liquidity for Series A1 PTCs is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~5.00 times the estimated loss in the pool.

Strong for Equity Tranche PTC

The liquidity for Equity Tranche PTC is strong after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~4.25 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The ratings could be upgraded on the strong collection performance of the underlying pool (monthly collection efficiency >95%) on a sustained basis, leading to the build-up of the credit enhancement cover for the remaining payouts.

Negative factors – The sustained weak collection performance of the underlying pool (monthly collection efficiency <90%), 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 ratings

Analytical approach

The rating action is based on the trustee confirming compliance with the terms of the transaction and the executed transaction documents being in line with the terms initially shared with ICRA.

Analytical Approach	Comments
Applicable rating methodologies	Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the originator

WheelsEMI Private Limited is a Pune-based, registered non-deposit taking non-banking financial company (NBFC), which provides financing for new as well as preowned two-wheelers (2Ws). It is promoted by Mr. Srinivas Kantheti and Mr. V Karunakaran, who acquired Vardnarayan Savings and Investment Co Pvt Ltd., a small finance company based out of Nanded, Maharashtra with a loan book of Rs. 35 lakh (at the time of acquisition) in 2017. WheelsEMI provides 2W financing to low-income customers.

The company has a wholly owned subsidiary, BluBird Auto Trade Private Limited (BluBird), incorporated in April 2019. BluBird's primary business is the leasing and renting of vehicles, primarily to logistics companies. It also deals in the purchase and sale of used vehicles.

Key financial indicators (audited; standalone)

WheelsEMI	FY2024	FY2025	H1FY2026*
Total income	253	305	135
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; All ratios are as per ICRA's calculations; Amount in Rs. crore; *Provisional financials numbers as provided by the company; ^On assets under management

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
				June 05, 2026	February 06, 2026	-	-
FrostFall 01 2026	Series A1 PTCs	30.63	30.63	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-	-
	Equity Tranche	1.72	1.72	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(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 (%)
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(*) 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

Instrument	Complexity Indicator
Series A1 PTCs	Highly Complex
Equity Tranche	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.)	Scheduled maturity date	Current amount rated (Rs. crore)	Current rating
FrostFall 01 2026	Series A1 PTCs	January 30, 2026	12.50%	June 21, 2030	30.63	[ICRA]A(SO)
	Equity Tranche		-	June 21, 2030	1.72	[ICRA]BBB+(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

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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.

For more information, visit www.icra.in

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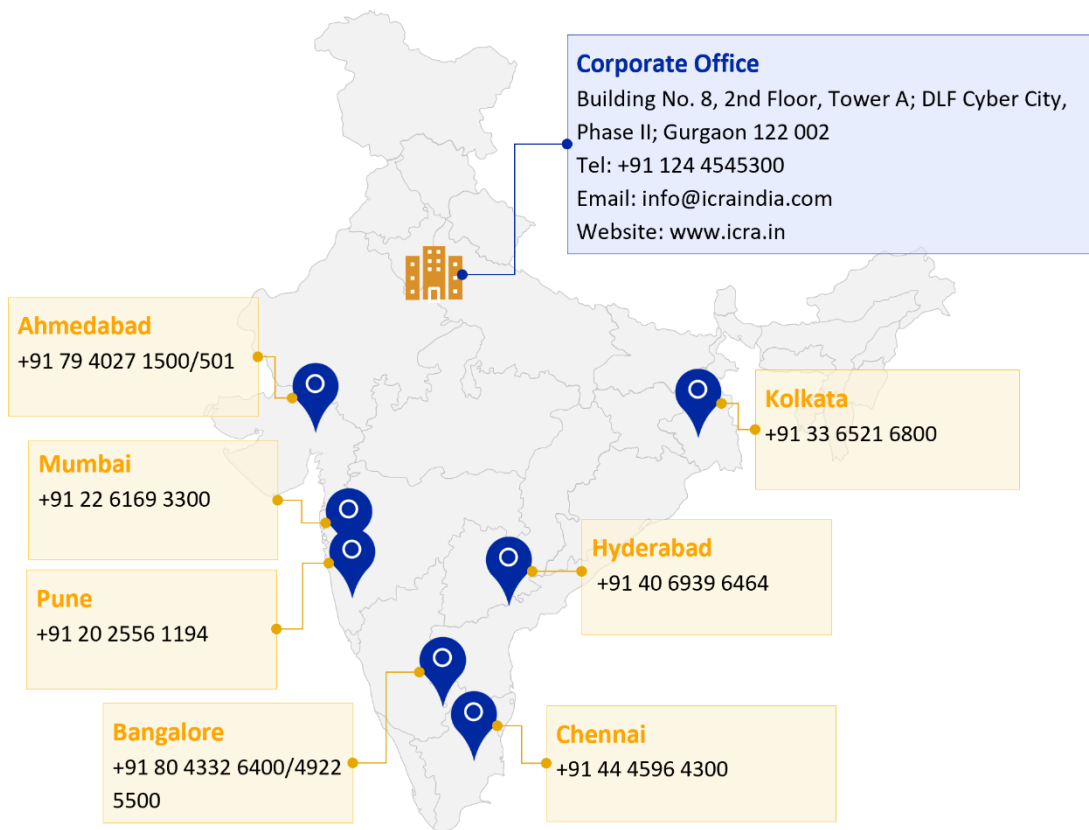
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