

March 24, 2026

## Berar Finance Limited: Rating reaffirmed for PTCs issued under two-wheeler loan receivables securitisation transaction

### Summary of rating action

Trust Name	Instrument*	Initial amount rated (Rs. crore)	Amount O/s after last surveillance (Rs. crore)	Current amount rated (Rs. crore)	Rating action
Duchess 2024	Series A1 PTC	14.01	NA	13.97	[ICRA]A-(SO); reaffirmed

\*Instrument details are provided in Annexure I

### Rationale

The pass-through certificates (PTCs) are backed by a pool of two-wheeler loan receivables originated by Berar Finance Limited (BFL/Originator). BFL is also the servicer for the rated transaction. As per the transaction structure, the Originator would assign follow-on pools to the trust during the 15-month replenishment period, basis the predefined eligibility criteria. The replenishment period has ended post February 2026 payout month.

The pool is crystallised post the end of replenishment phase after February 2026 payout month, and the amortization phase will start from March 2026 payout month onwards. The rating reaffirmation factors in the satisfactory pool performance, compliance with the eligibility criteria specified for replenishment contracts, and no breach of trigger events.

### Pool performance summary

Parameters	Duchess 2024
Payout month	February 2026
Months post securitisation	15
Pool amortisation <sup>1</sup>	0.2%
Series A1 PTC amortisation	0.2%
Cumulative collection efficiency <sup>2</sup>	98.6%
Monthly collection efficiency	102.3%
Loss-cum-30+ dpd <sup>3</sup> (dpd <sup>3</sup> ; % of initial pool)	2.7%
Loss-cum-90+ dpd <sup>4</sup> (% of initial pool)	0.7%
Cumulative cash collateral (CC) utilisation	0.0%

### 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 is for 15 months from the transaction commencement date, which ended after the February 2026 payout.

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

<sup>1</sup> Including principal overdue amount

<sup>2</sup> (Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdue at the start of the transaction)

<sup>3</sup> Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 30 days, as a % of Initial pool principal

<sup>4</sup> Inclusive of unbilled and overdue principal portion of delinquent contracts overdue by more than 90 days, as a % of Initial pool principal

During the amortisation period, the monthly cash flow schedule will comprise 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 excess interest spread (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.

## Key rating drivers and their description

### Credit strengths

**Granular pool supported by presence of credit enhancement** – The pool is crystallised post end of replenishment phase after February 2026 payout month and pool is granular with top 10 obligors forming ~0.52% of the pool principal, thereby reducing the exposure to any single borrower. The amortization phase will start from March 2026 payout month onwards. 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 pool performance** – The pool's performance has been healthy with a cumulative collection efficiency of 98.6% as on February 2026 payout, which has resulted in lower delinquency with the 90+ days past due (dpd) at 0.7%. The break-even collection efficiency is significantly lower than the actual collections seen in the pool. Further, there have been no instances of cash collateral utilisation for the pool till date owing to healthy collection performance and the presence of EIS in the transaction.

**Servicing capability of BFL** – BFL has adequate processes for servicing the loan accounts in the securitised pool. It has a long track record of regular collections and recoveries across a wide geography and multiple economic cycles.

### Credit challenges

**High geographical concentration** – The pool has high geographical concentration with the top 3 states, viz Maharashtra, Madhya Pradesh and Chhattisgarh contributing ~77% to the balance 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 based on 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 transaction, ICRA has estimated the shortfall in the principal of the pool crystallised at the end of replenishment period at 5.00% at the end of its tenure 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 rating for the instrument.

## Details of key counterparties

The key counterparties in the rated transaction are as follows:

Transaction name	Duchess 2024
Originator	Berar Finance Limited
Servicer	Berar Finance Limited
Trustee	MITCON Credentia Trusteeship Services Limited
CC bank	AU Small Finance Bank
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 more than ~3.50 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 (BFL) could also exert pressure on the rating.

## Analytical approach

The rating action is based on the performance of the pool till the February 2026 payout month (January 2026 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

Berar Finance Limited (Berar/ BFL) is a Nagpur-based public, equity unlisted, deposit-taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). The company is promoted by Mr. M. G. Jawanjar and was incorporated in 1990. BFL primarily finances two-wheelers (2Ws). It also provides, personal loans and secured MSME loans. Berar has now discontinued used car loans segment. The company has started disbursal of secured SME product with the ticket size of Rs. 5 lakh to 6 lakh and as on December 31, 2025 the asset under management (AUM) for the product stands at ~Rs. 67 crore.

While its operations are concentrated in Maharashtra, Berar has, over the years expanded to five other states, i.e., Chhattisgarh, Madhya Pradesh, Telangana, Gujarat and Karnataka. Berar started its operations in Andhra Pradesh, Odisha and Jharkhand. As on December 31, 2025, the company's loan book was Rs. 1,685 crore.

### Key financial indicators

BFL	FY2024	FY2025	9M FY2026*
Total income	252	295	258
Profit after tax	22	32	24
Total managed assets	1,351	1,625	1,931
Gross stage 3	4.6%	4.4%	4.1%
CRAR	25.0%	22.3%	25.4%

Source: Company, ICRA Research; All calculations and ratios are as per ICRA Research; Amount in Rs. crore; \*Provisional; Total managed assets = Total assets + impairment loss allowance and off-book portfolio

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Trust name	Instrument	Current rating (FY2026)		Chronology of rating history for the past 3 years					
		Initial amount rated (Rs. crore)	Current amount rated (Rs. crore)	Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	
				March 24, 2026	March 12, 2025	December 19, 2024	-	-	
Duchess 2024	Series A1 PTC	14.01	13.97	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-	-	

### Complexity level of the rated instrument

Instrument	Complexity indicator
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	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
<b>Duchess 2024</b>	Series A1 PTC	December 17, 2024	11.35%	May 24, 2027	13.97	[ICRA]A-(SO)

Source: Company

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

Not applicable

## ANALYST CONTACTS

**Manushree Saggar**

+91 124 4545 316

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

**Sachin Joglekar**

+91 22 6114 3470

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

**Anubhav Agrawal**

+91 22 6114 3439

[anubhav.agrawal@icraindia.com](mailto:anubhav.agrawal@icraindia.com)

**Vishal Oza**

+91 22 6114 3472

[vishal.oza2@icraindia.com](mailto:vishal.oza2@icraindia.com)

**Shruti Jain**

+91 22 6114 3414

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

## RELATIONSHIP CONTACT

**Mr. L Shivakumar**

+91 22 6169 3304

[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)

## ABOUT ICRA LIMITED

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.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



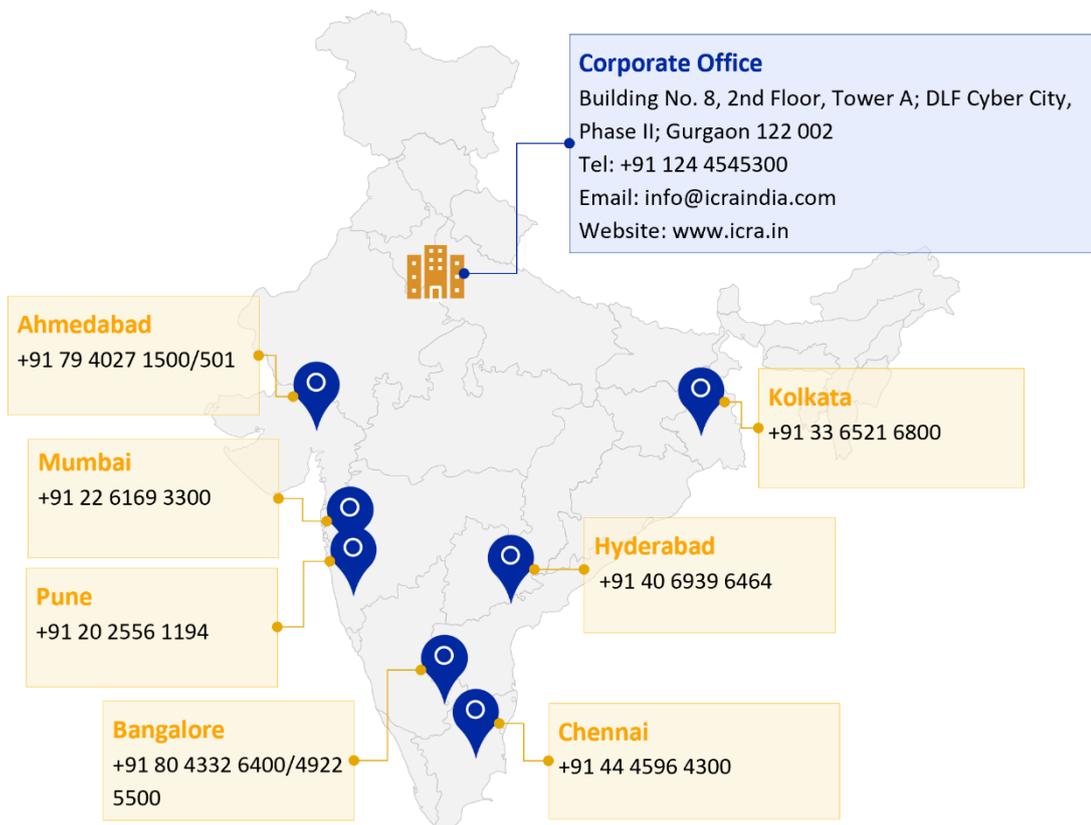
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.