

October 18, 2023

Berar Finance Limited: Ratings withdrawn for PTCs backed by two wheeler loan receivables securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Blacksoil Trust	PTC Series A	14.61	4.53	0.00	[ICRA]BBB+(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under two wheeler loan receivables securitisation transaction originated by Berar Finance Limited (BFL; rated [ICRA]BBB (Stable)). All the payouts to the investors in the above-mentioned instruments have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationales of previous rating exercise is available at the following link: [click here](#).

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Berar Finance Limited (BFL) is a Nagpur-based public, unlisted, deposit-taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI). It is promoted by Mr. M. G. Jawanjar and was incorporated in 1990. BFL primarily finances two-wheelers (2Ws). It also provides used car loans, commercial vehicle loans, agriculture equipment loans and personal loans. While its operations are concentrated in Maharashtra, BFL has, over the years expanded to five other states, i.e. Chhattisgarh, Madhya Pradesh, Telangana, Gujarat and Karnataka. As on March 31, 2023, the company's loan book was Rs. 946 crore. In FY2023, BFL reported a profit after tax (PAT) of Rs. 17 crore. The gross par 90 and net par 90 stood at 3.3% and 1.6% respectively for FY2023.

Key financial indicators (audited)

BFL	FY2021	FY2022	FY2023
Total income	135	176	218
Profit after tax	15	17	17
Total assets	891	1,044	1,141
Gross NPA stage 3	2.5%	3.1%	4.7%
Net NPA stage 3	1.7%	2.2%	3.1%

Source: Company data, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Sr. No.	Trust Name	Instrument	Current Rating (FY2024)		Chronology of Rating History for the past 3 years				Date & Rating in FY2021
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022	
					October 18, 2023	February 03, 2023	April 12, 2022	January 10, 2022	
1	Blacksoil Trust	PTC Series A	14.61	0.00	[ICRA]BBB+(SO); Withdrawn	[ICRA]BBB+(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Blacksoil Trust	PTC Series A	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, is available on ICRA's website [Click here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Blacksoil Trust	PTC Series A	January 2022	8.75%	June 2024	0.00	[ICRA]BBB+(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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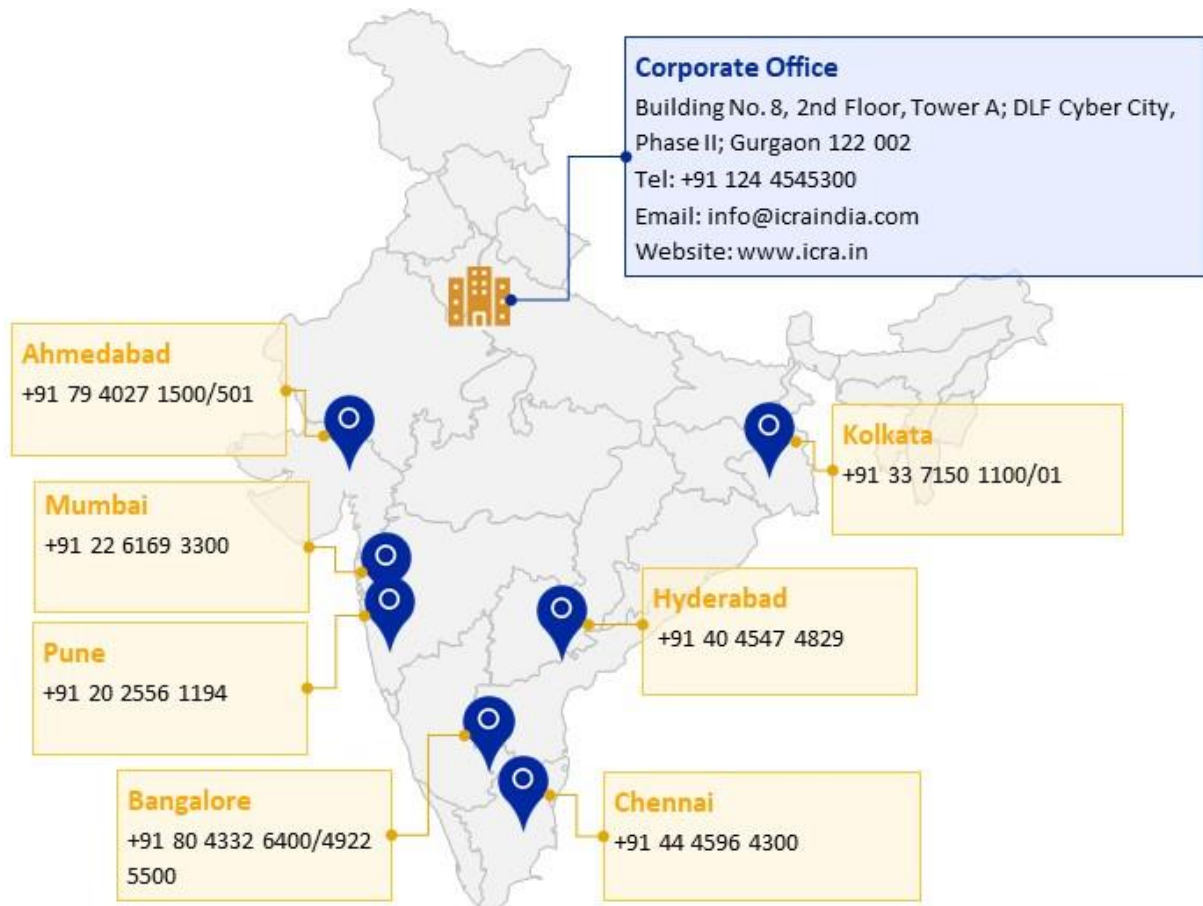
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