



Press Release

Prachay Capital Private Limited

March 17, 2021

Ratings

Facilities	Amount (INR crore)	Current Ratings	Previous Ratings	Rating Action
Long Term Bank Facilities – Fund Based - Term Loan	12.50	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	IVR BB+/Stable Outlook (IVR Double B Plus with Stable Outlook)	Revised and moved to ISSUER NOT COOPERATING
Long Term Bank Facilities – Fund Based Term Loan (Proposed)	15.50	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	IVR BB+/Stable Outlook (IVR Double B Plus with Stable Outlook)	Revised and moved to ISSUER NOT COOPERATING
Long Term Bank Facilities – Fund Based Cash Credit	12.50	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	IVR BB+/Stable Outlook (IVR Double B Plus with Stable Outlook)	Revised and moved to ISSUER NOT COOPERATING
Long Term Bank Facilities – Fund Based Cash Credit (Proposed)	7.50	IVR BB ISSUER NOT COOPERATING* (IVR Double B ISSUER NOT COOPERATING)	IVR BB+/Stable Outlook (IVR Double B Plus with Stable Outlook)	Revised and moved to ISSUER NOT COOPERATING
Total	48.00			

**Issuer not cooperating, based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the bank facilities of Prachay Capital Private Limited reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

Note on non-cooperation

Infomerics has repeatedly followed up with the company to provide information to monitor the rating(s) vide e-mail dated 13.01.21, 25.01.21, 13.02.21 and 15.02.21. However, despite repeated requests, the company has failed to submit Audited financial statements for FY20 and other data for review. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the ratings assigned to the bank loan facilities of Prachay Capital Private Limited aggregating to INR48.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB ISSUER NOT COOPERATING (pronounced IVR Double B ISSUER NOT COOPERATING).

Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Financial Institutions/NBFCs

Financial Ratios & Interpretation (Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients

About the Company

Prachay Capital Private Limited (PCPL) established in the year 2017, previously known as Pracaya Financial Services Private Limited; is a registered nonbanking financial company that caters secured short and medium-term funding to small regional businesses (majorly real estate developers). The company is mainly focussed on extending financial assistance to those, depending on customers' needs, who find it difficult to get funds from the normal banking channel. The company provides business loans to MSMEs/SMEs primarily last mile funding and inventory funding. The clients are sourced through both Direct Sales Agents



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(DSAs) and in-house sales teams mainly within Pune. The company provides secured lending with a minimum hard security coverage of 2 times.

Financials*

(INR crore)

For the year ended / As on	31-03-18	31-03-19
	Audited	Audited
Total Operating Income	0.78	4.60
Interest	0.12	1.60
PAT	0.30	1.21
Total Debt	8.69	25.70
Tangible Net worth	4.30	10.51
Total Loan Assets	10.71	37.08
Ratios		
a. PAT Margin (in %)	34.69	26.07
b. Overall Gearing Ratio (x)	2.02	2.40
c. Total CAR (%)	39.85	26.68
d. Gross NPA (%)	0.00	0.00
e. Net NPA (%)	0.00	0.00

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: None

Any other information: None



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Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Type	Current Rating (Year 2020-21)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 19-20 (January 06, 2020)	Date(s) & Rating(s) assigned in 18-19	Date(s) & Rating(s) assigned in 17-18
1.	Long Term Bank Facilities – Fund Based - Term Loan	Long Term	12.50	IVR BB ISSUER NOT COOPERATING	IVR BB+/Stable Outlook	-	-
2.	Long Term Bank Facilities – Fund Based Term Loan (Proposed)	Long Term	15.50	IVR BB ISSUER NOT COOPERATING	IVR BB+/Stable Outlook	-	-
3.	Long Term Bank Facilities – Fund Based Cash Credit	Long Term	12.50	IVR BB ISSUER NOT COOPERATING	IVR BB+/Stable Outlook	-	-
4.	Long Term Bank Facilities – Fund Based Cash Credit (Proposed)	Long Term	7.50	IVR BB ISSUER NOT COOPERATING	IVR BB+/Stable Outlook		

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Fund Based - Term Loan	--	--	--	12.50	IVR BB ISSUER NOT COOPERATING
Long Term Bank Facilities – Fund Based Term Loan (Proposed)	--	--	--	15.50	IVR BB ISSUER NOT COOPERATING
Long Term Bank Facilities – Fund Based Cash Credit	--	--	--	12.50	IVR BB ISSUER NOT COOPERATING
Long Term Bank Facilities – Fund Based Cash Credit (Proposed)	--	--	--	7.50	IVR BB ISSUER NOT COOPERATING