



Press Release

Prachay Capital Limited

(Erstwhile known as Prachay Capital Private Limited)

August 21, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Term Loan	33.23 (Enhanced from Rs.23.88 Crore)	IVR BBB /Stable (IVR Triple B with Stable Outlook)	IVR BBB /Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Long Term Bank Facilities – Dropline OD	14.33 (Enhanced from Rs.5.34 Crore)	IVR BBB /Stable (IVR Triple B with Stable Outlook)	IVR BBB /Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Proposed Long Term Bank Facilities – Term Loan	27.44 (Reduced from Rs.44.53 Crore)	IVR BBB /Stable (IVR Triple B with Stable Outlook)	IVR BBB /Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Long Term Bank Facilities – Term Loan	0.00	--	IVR BBB /Stable (IVR Triple B with Stable Outlook)	Rating Withdrawn*	Simple
Total	Rs.75.00 Crore (Rs Seventy-Five Crore)				

** Bank facility that was rated in last rating exercise has been fully repaid and NDC (No dues certificate) has been provided by the PCL. Withdrawal is at the request of the company and is in line with Infomerics policy of withdrawal.*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3

Detailed Rationale



Press Release

Infomerics Ratings has reaffirmed its ratings assigned to the bank facilities of Prachay Capital Limited (PCL) continues to derive strength from healthy earnings profile along with adequate capitalisation. The ratings are however, constrained by inherent risk of asset quality due to nature of borrowers, limited financial flexibility and sectoral concentration.

Infomerics has withdrawn the ratings assigned to the term loan facilities of Rs.12.50 crore as facility has been fully repaid, no dues certificate received from the lender and at the request of the PCL. The rating has been withdrawn in accordance with Infomerics' Policy on withdrawal of ratings.

Infomerics Ratings expects the outlook to remain stable with expected continuation of growth momentum in AUM on the back of comfortable capitalisation levels.

Key Rating Sensitivities:

Upward Factors

- Sustained improvement in AUM along with geographical diversification while maintaining current asset quality and capitalisation

Downward Factors

- Substantial decline in AUM and/or any deterioration in asset quality, profitability and capitalization levels below regulatory requirement.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Adequate capital position

PCL's capitalization profile remains adequate, with a capital adequacy ratio (CRAR) of 24.82% and a net worth of Rs.84.22 crore as on March 31, 2025, supported primarily by internal accruals. In July 2025, PCL received an equity infusion of Rs.25.00 crore from Prachay Capital Holdings Private Limited. Ability to infuse capital of the promoters while maintaining the comfortable capitalisation would be key credit monitorable.

Healthy earnings profile



Press Release

PCL's earnings profile remains supported by its scale of operations, with Net Interest Income (NII) improving to Rs.26.16 crore in FY25 (period refers from 01st April 2024 to 31st March 2025) from Rs.21.47 crore in FY24, driven by higher disbursements during the year. The company's Assets Under Management (AUM) grew to Rs.314.19 crore at the end of FY25 though significantly lower than the projections, compared to Rs.276.51 crore at the end of FY24, with higher disbursements coming from Equipment lease finance and equipment purchase finance. The Net Interest Margin (NIM) moderated to 8.86% in FY25 from 9.76% in FY24, primarily due to an increase in the cost of capital. Despite the contraction in NIM, the company reported a healthy Return on Total Assets (RoTA) of 3.78% in FY25, reflecting operational efficiency.

Key Rating Weaknesses

Vulnerable Asset Quality on account of customer concentration risk

Though, PCL has reported NIL GNPA since inception due to effective recovery mechanisms. However, PCL's portfolio is largely concentrated to real estate sector and majority of the lending is in Pune Region which poses higher risk as any downtrend in the real sector in the region would significantly impact the asset quality of the entity. However, as per management, PCL is diversifying its operations in the other region over a medium term.

High leveraged structure and concentrated funding profile

As on March 31, 2025, the company had outstanding debt of approximately Rs. 265.2 crore, of which around Rs. 213 crore comprised Non-Convertible Debentures (NCDs) and Inter-Corporate Deposits (ICDs), bearing a relatively high cost of capital of ~14%. The balance debt includes term loans and other borrowings. The company's capital structure remains leveraged, with a gearing of 3.15 times as on FY25, given its current scale of operations. Going forward, the ability of the company to diversify its funding profile and secure borrowings at more competitive rates remains a key monitorable.

High Sectoral and geographical concentration risk



Press Release

As on March 31, 2025, over 90% of the company's assets under management (AUM) were concentrated in the real estate sector, making its earnings profile susceptible to adverse regulatory or market developments in the sector. Additionally, PCL's operations are primarily concentrated in Maharashtra, particularly in Pune, which heightens geographical concentration risk. While the company's recent strategic tie-up with a leading Aluform manufacturer, is expected to support diversification by facilitating customer acquisition across geographies, the benefits of this initiative are likely to accrue over the medium term.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Financial Institutions/NBFCs](#)

[Financial Ratios and Interpretation \(Financial Sector\)](#)

[Criteria for assigning Rating Outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on withdrawal on ratings](#)

Liquidity – Adequate

PCL's liquidity remains adequate with total CRAR of 24.82% as on March 31, 2025 supported tangible net worth of Rs.84.22 crore. In July 2025, Rs.25 crore has been infused by promoter which will further strengthen the net worth. ALM as on March 31, 2025 has no cumulative mismatches in any buckets. As on 31st July 2025, DLOD limit from AU Small Finance Bank was Rs.13.33 Crores and outstanding against it was Nil.

About the Company



Press Release

Prachay Capital Limited (PCL) (Erstwhile known as Prachay Capital Private limited provides business loans mainly to real estate developers primarily last mile funding and inventory funding. Their products have an average ticket size of Rs.7 Crore to 8 crore, a tenure of up to 30 months, and a principal moratorium of up to 18 months.

Financials (Standalone):

For the year ended* As on	INR in Crore	
	31-03-2024	31-03-2025
	Audited	Audited
Total Income	42.36	58.15
PAT	10.97	12.61
Tangible Net worth	71.55	84.22
AUM	276.51	314.19
<u>Ratios</u>		
NIM (%)	9.76	8.86
ROTA (%)	4.11	3.78
Interest Coverage (times)	1.72	1.58
Total CRAR (%)	26.99%	24.82%
Gross NPA [Stage III] (%)	0.00	0.00
Net NPA [Stage III] (%)	0.00	0.00

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:



Press Release

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 25, 2024	March 27, 2023	June 17, 2022
1.	Long Term Bank Facilities-Term Loan	Long Term	33.23	IVR BBB/Stable	IVR BBB/Stable	IVR BBB-/Positive	IVR BBB-/Stable
2	Long Term Bank Facilities-Dropline OD	Long Term	14.33	IVR BBB/Stable	IVR BBB/Stable	IVR BBB-/Positive	--
3	Proposed Long Term Bank Facilities	Long Term	27.44	IVR BBB/Stable	IVR BBB/Stable	IVR BBB-/Positive	IVR BBB-/Stable
4	Long Term Bank Facilities-Term Loan	Long Term	0.00	--	IVR BBB/Stable	IVR BBB-/Positive	IVR BBB-/Stable

Name and Contact Details of the Rating Director:

Name: Amey Joshi

Tel: (022) 62396023

Email: amey.joshi@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



Press Release

ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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 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	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Listing Status	Rating Assigned/ Outlook
Long Term Bank Facilities- Term Loans	-	-	-	Till October 2031	33.23	-	IVR BBB/Stable
Proposed Long Term Bank Facilities- Term Loans	-	-	-	-	27.44	-	IVR BBB/Stable
Long Term Bank Facilities- Dropline OD	-	-	-	-	14.33	-	IVR BBB/Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-prachaycapital-aug25.pdf>



Press Release

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.

