



October 5th, 2023

P.S. Hooda,
Managing Director
Prayatna Microfinance Limited,
Office No. 602, 6th Floor
Vinayak Plaza
Varanasi - 221002

Dear Sir,

Credit rating for the Bank facilities of Prayatna Microfinance Limited

After taking into account all the recent developments and the operational and financial performance of your company during FY2023(A) and Q1FY24.

1. Our Rating Committee has assigned the following ratings:

Sl. No.	Instrument/Facility	Amount (INR. Crore)	Current Ratings	Previous Ratings	Rating Action
1.	Long Term Fund Based Facility – Term Loan	INR 73.09	IVR BBB/Stable Outlook (IVR Triple B with stable outlook)	IVR BBB-/Positive Outlook (IVR Triple B Minus with Positive outlook)	Upgraded
3.	Proposed Long Term Fund Based facility – Term Loan	INR 126.91	IVR BBB/Stable Outlook (IVR Triple B with stable outlook)	IVR BBB-/Positive Outlook (IVR Triple B Minus with Positive outlook)	Upgraded
	Total	200.00 (Two Hundred Crore only)			

2. Details of the credit facilities are attached in **Annexure I**. Our rating symbols for long-term and short-term ratings and explanatory notes thereon are attached in **Annexure II**.

3. The press release for the rating(s) will be communicated to you shortly.

4. If the proposed long term / short term facility (if any) is not availed within a period of six months / three months respectively from the date of this letter, then the rating may please be revalidated from us before availing the facility.

5. The above rating is normally valid for a period of one year from the date of **communication** of rating to you (that is. **Oct 05, 2023**).



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6. INFOMERICS reserves the right to undertake a surveillance/review of the ratings from time to time, based on circumstances warranting such review, subject to atleast one such review/surveillance every year.
7. A formal surveillance/review of the rating is normally conducted within 12 months from the date of initial rating/last review of the rating. However, INFOMERICS reserves the right to undertake a surveillance/review of the rating more than once a year if in the opinion of INFOMERICS, circumstances warrant such surveillance/review.
8. **You shall provide us a No Default Statement as at the last date of the month on the first date of succeeding month without fail.** The NDS shall be mailed every month to nds@Infomerics.com and to the mail id [of the undersigned.](#)
9. **You shall provide the quarterly performance results/quarterly operational data (being submitted to Banks) to us within 6 weeks from the close of each calendar quarter for our review/monitoring.**
10. You shall furnish all material information and any other information called for by INFOMERICS in a timely manner, for monitoring the rating assigned by INFOMERICS. In the event of failure on your part in furnishing such information, to carry out continuous monitoring of the rating of the bank facilities, INFOMERICS shall carry out the review/annual surveillance on the basis of best available information throughout the lifetime of such bank facilities as per the policy of INFOMERICS.
11. Please note that INFOMERICS ratings are not recommendations to buy, sell or hold any security or to sanction, renew, disburse or recall the bank facilities. INFOMERICS do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
12. Users of the rating may kindly refer our website www.infomerics.com for latest update on the outstanding rating.
13. Further, this is to mention that all clauses mention in the initial rating letter are also stands applicable. In case you require any clarification, you are welcome to communicate with us in this regard.

Thanking you,

With Regards,

Tarun Jain
Sr. Rating Analyst-Ratings
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Shivam Bhasin
Manager - ratings
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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 I

1. Long Term Fund Based Facility/Instruments

1.A. Long Term Fund Based Facility- Term Loan

(Rs. Crore)

S.No.	Lender Name	Rated Amount	Remarks	Maturity
1.	Canara Bank	2.00	-	9/22/2024
2.	Bank of Baroda - TL-1	5.25	-	9/30/2024
3.	State Bank of India - TL-1	5.91	-	10/22/2024
4.	Punjab National Bank	4.24	-	2/6/2025
5.	SIDBI	1.20	-	10/1/2024
6.	Indian Overseas Bank	5.73	-	6/5/2025
7.	State Bank of India - TL-2	10.18	-	7/2/2025
8.	A U Small Finance Bank	3.10	-	8/31/2024
9.	Canara Bank1	3.75	-	12/2/2025
10.	Punjab & Sindh Bank	1.56	-	12/21/2025
11.	Shivalik Small Finance Bank Ltd.	4.07	-	3/30/2025
12.	Uco Bank Ltd.	9.09	-	4/1/2026
13.	Union Bank of India	8.02	-	1/2/2026
14.	Bank of Baroda - TL-2	9.00	-	8/2/2026
15.	Proposed	126.91	-	---

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CIN : U32202DL1986PTC024575



Annexure II

INFOMERICS Rating Scale for Long Term Instruments & Borrowing Programmes

Rating Scale	Definition
IVR AAA	Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk
IVR AA	Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk
IVR A	Securities with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such securities carry low credit risk
IVR BBB	Securities with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such securities carry moderate credit risk
IVR BB	Securities with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations
IVR B	Securities with this rating are considered to have high risk of default regarding timely servicing of financial obligations
IVR C	Securities with this rating are considered to have very high risk of default regarding timely servicing of financial obligations
IVR D	Securities with this rating are in default or are expected to be in default soon

Modifiers {'+' (plus) or '-' (minus)} can be used with rating symbols for the categories 'AA' to 'C'. The modifiers reflect comparative standing within the category.

The above rating scale also applies to rating of bank loans and other instruments.