

October 29, 2024

Pragya Securities Private Limited: Moved to non-cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term fund-based/non-fund based bank lines – Others	18.00	18.00	[ICRA]A3; ISSUER NOT COOPERATING*; rating moved to 'Issuer Not Cooperating' category
Total	18.00	18.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure I

Rationale

The rating has been moved to the 'Issuer Not Cooperating' category due to the lack of updated information on Pragya Securities Private Limited's (PSPL) performance since the time it was last rated in August 2023. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using the rating as it does not adequately reflect the entity's credit risk profile. PSPL's credit profile may have changed since the time it was last reviewed by ICRA; however, in the absence of requisite information, ICRA is unable to take a definitive rating action.

As a part of its process and in accordance with its rating agreement with PSPL, ICRA has been trying to seek information from the entity to monitor its performance. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the Securities and Exchange Board of India's (SEBI) Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Stockbroking & allied services Policy in respect of non-cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

PSPL is a securities broker engaged in equity and currency broking activities at NSE, BSE and MSE. It is also a member of Central Depository Services Limited (CDSL) and provides depository services to its clients.

PSPL is the flagship company of the Pragya Group, which was promoted by the Cholera family in 1985 in Rajkot (Gujarat) with the commencement of business operations as a sub-broker. Subsequently, Mr. Dipak Cholera received BSE membership in his personal capacity in 1989 and PSPL was incorporated in 1994. In 2000, it received NSE membership and the BSE membership was corporatised in this company in February 2006.

On a provisional basis, PSPL achieved a profit before tax (PBT) of Rs. 5.9 crore in H1 FY2023 compared to Rs. 3.9 crore in H1 FY2022 and Rs. 13.0 crore in FY2022. Its capitalisation was characterised by a net worth of Rs. 87.2 crore as of September 30, 2022 with low dependence on fund-based borrowings (Rs. 3.2 crore as of September 30, 2022).

Key financial indicators (audited)

PSPL	FY2021	FY2022	H1 FY2023*
Net operating income	11.1	15.9	5.8
Profit after tax	12.6	10.2	5.2
Net worth	71.8	82.0	87.2
Total assets	100.3	144.2	152.3
Gearing (times)	0.1	0.1	0.0
Return on average net worth	19.2%	13.3%	12.8%

Source: Company, ICRA Research; * Provisional; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years		
	Type	Amount Rated (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			Oct 29, 2024	Aug 25, 2023	Jun 7, 2022	Apr 29, 2021
1 Short-term non-fund-based bank lines	Short term	-	-	-	[ICRA]A3	[ICRA]A3
2 Short-term fund-based bank lines – Cash credit	Short term	-	-	-	[ICRA]A3	[ICRA]A3
3 Short-term fund-based/Non-fund-based bank lines – Others	Short term	18.00	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Short-term fund-based/non-fund based bank lines – Others	Simple

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

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook		
NA	Overdraft	-	-	-	3.00	[ICRA]A3; COOPERATING	ISSUER	NOT
NA	Bank guarantee	-	-	-	15.00	[ICRA]A3; COOPERATING	ISSUER	NOT

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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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.

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