



Press Release
PEOPLES ACTION FOR TRANSFORMATION
May 29, 2023
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.50.00 Cr. bank facilities of People's Action for Transformation (PAT). The rating continues to be flagged as "issuer not co-operating" and is based on best available information.

About the Company

Tamil Nadu-based, People's Action for Transformation (PAT) is a Non-governmental Organisation-Micro Finance Institution (NGOMFI) registered with Indian Trust Act in 1997 and also a member of Sa-dhan, since 2007. It is promoted by Mr. Stephen Francis Xavier. The trust is engaged in micro financing activities since 2003 and its micro finance activities are directed to the benefit of women groups/individual for enhancement of their livelihoods. As of March 31, 2020, PAT has a network of sixteen branches spread across eleven districts of Tamil Nadu.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

	Unit	FY20 (Actual)	FY19 (Actual)
Total Assets	Rs. Cr.	40.30	38.65
Total Income (Net of Interest Expense)	Rs. Cr.	6.33	7.11
PAT	Rs. Cr.	1.48	1.50
Net Worth	Rs. Cr.	7.20	5.72
Return on Average Assets (RoAA)	(%)	3.75	4.02
Return on Average Net Worth (RoNW)	(%)	22.91	30.22
Total Debt/Tangible Net Worth (Gearing)	Times	4.45	5.56
Gross NPAs	(%)	0.08	0.02
Net NPAs	(%)	NIL	NIL

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria->

[53.htm](#)

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Mar 2022	Proposed Bank Facility	Long Term	42.08	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	1.27	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	1.03	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	3.08	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	2.27	ACUITE BB (Issuer not co-operating*)
	Term Loan	Long Term	0.27	ACUITE BB (Issuer not co-operating*)
11 Dec 2020	Term Loan	Long Term	0.17	ACUITE BB (Downgraded and Withdrawn)
	Proposed Bank Facility	Long Term	42.08	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	0.35	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	1.27	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	1.17	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	0.27	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	2.27	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	1.86	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	3.08	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	0.33	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	5.09	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	1.03	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	1.81	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	1.94	ACUITE BB (Downgraded and Withdrawn)
	Term Loan	Long Term	1.48	ACUITE BB (Downgraded and Withdrawn)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	42.08	ACUITE BB Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.27	ACUITE BB Reaffirmed Issuer not co-operating*
Indian Overseas Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.08	ACUITE BB Reaffirmed Issuer not co-operating*
Ananya Finance For Inclusive Growth Private Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.27	ACUITE BB Reaffirmed Issuer not co-operating*
UCO Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.27	ACUITE BB Reaffirmed Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.03	ACUITE BB Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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