CONFIDENTIAL

Ref No: ICRA/SF/ Vriksh Advisors Private Limited /04082023/1 August 04, 2023

Mr. Nikhil Aggarwal
Director
Vriksh Advisor Private Limited
13rd Floor, Paschimi Marg,
Vasant Vihar,
New Delhi – 110057

Dear Sir,

Re: ICRA Provisional Rating for the PTCs to be issued by Prosperity Asset 6 Trust [SPV under the ABS transaction originated by Vriksh Advisor Private Limited (Vriksh)] backed by pool of Lease rental receivables

Please refer to the Rating Agreement dated June 20, 2023, between ICRA Limited (hereinafter referred as "ICRA") and your Company for carrying out the rating of Pass-Through Certificates (PTCs) under the securitisation programme mentioned above.

The Rating Committee of ICRA has, after due consideration, assigned the following provisional rating(s) under the above-mentioned securitisation programme.

Instrument	Principal (Rs. Crore)	Rating	Definition
Series 1 PTCs	4.97	Provisional [ICRA]BB+(SO)	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories [ICRA]AA(SO) to [ICRA]C(SO). The modifiers reflect the comparative standing within the category.

The Structured Finance ratings assigned by ICRA also factor in the estimate of the relative potential loss to the investor (considering credit enhancements, if any) over the tenure of the rated instrument.

The letters "SO" in parenthesis suffixed to the rating symbol stand for Structured Obligation. "SO" rating is specific to the rated issue, its terms and its structure. "SO" ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned.

Please note that the provisional rating(s) is subject to the fulfilment of all conditions of the structure (as mentioned in Annexure 1), review of documentation pertaining to the transaction by ICRA, confirmation of the yield on the PTCs, your Company shall furnish a legal opinion on the transaction documentation and the due diligence/ audit report of the pool. This rating communication letter (together with Annexure 1) should be necessarily included in the issue documents / information memorandum of the proposed issue.

In any of your publicity material or other document wherever you are using the above ratings, it should be stated as **"Provisional [ICRA]BB+(SO)"** for Series 1 PTCs. We would request if you can provide your acceptance on the above rating(s) by sending an email or signed attached acknowledgement to us latest by August 04, 2023, as acceptance on the assigned rating(s). In case you do not communicate your acceptance/non-acceptance of the assigned credit rating(s) or do not appeal against the assigned rating(s) by the aforesaid date, the rating(s) will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated January 6, 2023.

Any intimation by you about the above rating(s) to any banker/ lending agency/government authorities/ stock exchange would constitute use of the rating(s) and shall be deemed acceptance of the Rating.

This rating(s) is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating(s) to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating(s) is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating(s) assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating(s) assigned to your Company.

The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold PTCs issued by your Company.

We thank you for your kind co-operation during the course of the rating exercise. Please feel free to contact the undersigned if you need any further information/clarification.

With kind regards,

Yours faithfully,

For **ICRA Limited**

ABHISHEK DAFRIA

Digitally signed by ABHISHEK DAFRIA
Date: 2023.08.07 12:14:52 +05'30'

Abhishek Dafria
Senior Vice President and Group Head – Structured Finance

Annexure 1

Transaction structure

The ratings are based on the terms provided to ICRA and the conditions mentioned herein –

Originator/Lessor/Renter	Vriksh Advisors Private Limited (Vriksh)
Obligor/Lessee/ Rentee	Praba's VCare Health Clinic Private Limited (VCare)
Trustee	Mitcon Credentia Trusteeship Limited (Mitcon)
Master Rental Agreement (MRA)	The agreements (including all schedules thereto) entered into between the Lessor and the Lessee setting out the terms and conditions on which the Lessor has agreed to lease the assets to the Lessee.
Receivables	The receivables shall include all operating lease rentals including the GST component (Rentals) due from the Lessee to the Lessor as per the terms of the MRA, which shall be assigned to the Trust. In the event of termination of MRA, the receivables shall include the termination amount due from the Renter to the Seller as per the terms of the MRA. Termination amount shall mean the present value of all future receivables due on the date of the termination of MRA (arrived at by discounting the future receivables at a yield lower than the PTC yield).
Structure details:	Mitcon shall settle a Trust and shall be appointed as Trustee for the Transaction. The receivables due from the Lessee shall be assigned by the Seller to the Trust (on a non-recourse basis to the Lessor) and the Trust would issue PTCs backed by the same. The future receivables of 8 quarterly lease payment amounts to Rs. 5.70 crore including the GST component and Tax Deducted at source (TDS) (if appliable). The Trust would issue PTCs backed by these receivables. All the rights and remedies of the PTC holders shall vest in and shall be exercised by the trustee. The trustee can be changed with the consent of 51% majority of PTC investors. Cost of change of Trustee shall have to be borne by the investors directly.
Designated/Approved Bank	A bank acceptable to ICRA
Compliance:	The Originator shall ensure that all the terms & conditions of the transaction structure, as stated herein (including the execution of transaction documents, obtaining legal opinion and due diligence audit), are complied with within 90 days from the transaction execution. The Trustee shall inform ICRA in writing about the fulfilment of all the said terms & conditions. ICRA shall assign the final rating post satisfactory compliance with the transaction structure by the Originator and confirmation by Trustee.

<table>
<tr><td></td><td>The PTC proceeds will be available to the Originator on the date of assignment of receivables.</td></tr>
<tr><td>PTC payouts schedule:</td><td>The PTCs follow an ultimate interest and ultimate principal structure (UIUP) wherein entire principal and interest is promised on final maturity date (24 months from date of issuance of PTC). The schedule of expected principal and interest payments for the Series A PTCs will be re-drawn by the Trustee for each Payout Date after taking into consideration any prepayments, delays and overdues.</td></tr>
<tr><td>Yield on PTCs:</td><td>PTC Series 1 will earn a fixed yield. However, the yield is also promised on the final maturity date.</td></tr>
<tr><td>Credit Enhancement:</td><td>The transaction does not envisage any form of internal or external credit enhancement.</td></tr>
<tr><td>Payout Structure</td><td>PTC payouts shall be made on dates mentioned in table below which would be twenty days from Lessee's rental payment due date.
<table>
<tr><th>PTC Payout date</th><th>Lease Payment due dates</th></tr>
<tr><td>21-Aug-23</td><td>01-Aug-23</td></tr>
<tr><td>21-Nov-23</td><td>01-Nov-23</td></tr>
<tr><td>21-Feb-24</td><td>01-Feb-24</td></tr>
<tr><td>21-May-24</td><td>01-May-24</td></tr>
<tr><td>21-Aug-24</td><td>01-Aug-24</td></tr>
<tr><td>21-Nov-24</td><td>01-Nov-24</td></tr>
<tr><td>21-Feb-25</td><td>01-Feb-25</td></tr>
<tr><td>21-May-25</td><td>01-May-25</td></tr>
</table>
Prepayment Date means such date on which VCare makes payment before the lease payment due date. In such case, Investors shall be deemed to have given their consent if and only if twenty one days' notice is given to them of the proposed variation and it is approved by a special resolution passed by them through postal ballot. It clarified that the Prepayment proceeds collected shall be paid to the PTC Investors on the 25th day of receiving such money from the VCare.</td></tr>
<tr><td>Collection and payment mechanism:</td><td>The Trustee shall open a no-lien Trust & Retention Account (Collection and Payment Account) with the Approved Bank. All monies credited in the Trust Account shall be held in trust for the benefit of the investors. The promised principal and interest payment to PTC investors is bullet at the end of scheduled maturity date of the PTCs (i.e. 24 months from effective date for PTC Series 1). The amounts due from VCare would be deposited in trust account. Payout for PTCs would be made as per schedule below.</td></tr>
<tr><td>Waterfall mechanism:</td><td>On the Expected Pay-out Date, Receivables realised and the Prepayment proceeds (if applicable and as on the Prepayment Date) from the Obligor (including overdue interest, if any) deposited in the Collection and Pay-out Account shall be utilised in the following manner:
(a) For the payment of all statutory and regulatory dues (if any) in</td></tr>
</table>

	relation to the Series 1 PTCs; (b) any fees or expenses incurred or payable by the Trustee in relation to the obligations and duties contained in the Transaction Documents, including any payments made to any Originator (including Servicing Fee) as may be required under the terms of the Transaction Documents. This will include the costs relating to any legal advice, legal proceedings, the cost of advocates, solicitors and counsel, any expenses incurred by the Trustee or any funds payable to the Rating Agency, auditor, banks. (c) Thirdly, for allocation towards the notional amounts to be paid as per calculation of Series 1 Yield to the Investors (including any unpaid expected amounts in respect of the Series 1 Yield pertaining to earlier Collection Periods); (d) Fourthly, for allocation towards notional amounts of the Expected Pay-out to be paid as principal to the Investors (including any unpaid expected amounts in respect of the principal pertaining to earlier Collection Periods); and (e) any Prepayment Proceeds will be utilised for accelerated payment/prepayment of principal; (f) Fifthly, after the aggregate amounts up to the relevant Expected Pay-out Date are paid to the Investors, for the payment of any surplus amounts lying to the credit of the Collection and Pay-out Account, to the Residual Beneficiary within a period of 7 (seven) Business Days from the relevant Expected Pay-out Date. In the event of a Prepayment, the Receivables due from the Obligor will be discounted at a rate as agreed between the Originator and the Lessee but will be paid to the Investors at the promised Series 1 Yield. Notwithstanding anything to the contrary contained in the Transaction Documents, in case of delay in listing of the Series 1 PTCs beyond 3 (three) Working Days from the Issue Closing Date, the relevant Investors will be paid penal interest calculated on the principal outstanding of the Series 1 PTCs at the rate of 1% (one percent) per annum which shall be payable over and above the Series 1 Yield rate from the Issue Closing Date until the listing of Series 1 PTCs, from the monies deposited in the Collection and Pay-out Account. It is clarified that that interest and principal is only expected to be paid to the PTC Holders on each Expected Pay-out Date and is only due and payable on the Series 1 Final Maturity Date. Any shortfalls in the payment of the expected principal or interest will be carried forward as payment in arrears and will be paid out on a future Expected Pay-out Date as and when there are sufficient amounts to meet the shortfall, in accordance with the Waterfall Mechanism for Pay-Outs.

Foreclosures:	The amount collected upon pre-termination of a contract will be paid to PTC Series 1. Following such prepayment or following the acceleration of PTC Payouts out of the excess available after meeting the scheduled payouts, the future payment schedule to PTCs will be revised. PTC investors would be paid on the 25th day of receiving such money.

Warranties and representations Vriksh:	Vriksh will provide the following representations and warranties in respect of the transaction:
	• All information provided to ICRA on the portfolio performance and current pool characteristics are correct.
	• All the necessary board and shareholder/Equivalent authorizations have been obtained by the Originator for the execution of the Transaction Documents and with respect to the Transaction.
	• The execution, delivery and performance by the Originator of the Transaction Documents and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
	  ○ any law to which the Originator is subject or
	  ○ any order, judgement, or decree applicable to the Originator; or
	  ○ any term, condition, covenant, undertaking, agreement, or other instrument to which the Originator is a party or by which the Originator is bound.
	• The Originator is the full and absolute legal and beneficial owner of the Receivables and has a clear and marketable title thereto clear and free from any and all encumbrances, set-off, counter-claims, impediments, charges or claims (other than the rights of the Obligor to use the Underlying Assets in accordance with the terms of the Underlying Documents) and the Originator has not created any charge, or any other encumbrance of any nature whatsoever or any third party interest whatsoever whether by way of sale, transfer, assignment or as security interest or otherwise in or upon the Receivables.
	• No hypothecation or other encumbrances subsists over any of the Underlying Assets; For the avoidance of doubt, the Underlying Assets have been rented to the Obligor in terms of the Underlying Documents.
	• Each of the underlying documents has been duly executed and is legally valid and enforceable in accordance with the terms thereof. Vriksh shall fully recompense the Trustee, on demand, for any losses that may arise due to any imperfections in documentation or any other matter which would have been normally perfected and as a result of which, the Trustee or the Trustee is not able to enforce the security.
	• Upon execution of the agreement specified herein above, Vriksh, in any capacity, shall not modify any terms of the underlying agreements

	between Vriksh and VCare without consent of the Trustee, if such modification may have an adverse impact on the pool cashflows. • Vriksh shall also ensure that all rights enjoyed by the Originator as per the terms of the underlying loan agreements shall stand transferred to the investor. • The executant of the legal documentation on behalf of Vriksh has been duly empowered and authorized to execute the same and to perform all obligations in accordance with the terms set out herein.
Transaction documents:	The key transaction documents to be executed are as follows: i. Trust deed ii. Deed of Assignment iii. Legal opinion iv. Trustee letter v. Notice of Assignment vi. Master Rental Agreement. vii. Any other documents executed for the transaction
Legal opinion:	Legal opinion from an independent counsel shall cover the following: i. The transaction documents shall be compliant with the SEBI guidelines on listing of PTCs; ii. The receivables shall be bankruptcy remote i.e. the creditors of the lessor shall not be in a position to make any claim on the receivables even if the lessor goes bankrupt; iii. The obligation of the lessee to make payment of the Rentals under the MRA is unconditional, irrevocable and absolute. It is not subject to any asset risk i.e. the lessee would need to make the payment irrespective of the state/ performance of the asset being leased; iv. Post assignment, beneficiaries of the Trust (PTC Investors) shall have undivided beneficial right, title and interest in the receivables assigned

Schedule A

Monthly Expected Cashflow for Series 1 PTCs (Rs. Lakh)

S. No	Payout date	PTC Series 1
1	21-Aug-23	71.25
2	21-Nov-23	71.25
3	21-Feb-24	71.25
4	21-May-24	71.25
5	21-Aug-24	71.25
6	21-Nov-24	71.25
7	21-Feb-25	71.25
8	21-May-25	60.15
Total		**558.90**