

**Northern Arc 2020 MFI Afshartous**  
**Originator: Pahal Financial Services Private Limited**

May 19, 2022

**Rating**

Transaction Name	Instrument	Rating <sup>1</sup>	Rating Action
Northern Arc 2020 MFI Afshartous	Series A1 PTC	-	Withdrawn
	Series A2 PTC	-	

Details of instruments/facilities in Annexure-1.

**Detailed Rationale and Key Rating Drivers**

CARE Ratings Limited (CARE Ratings) has withdrawn the rating assigned to the above-mentioned instruments issued by Northern Arc 2020 MFI Afshartous backed by microfinance loan receivable originated by Pahal Financial Services Private Limited (PFSP). The rating is withdrawn as all the payouts have been made to the investors in full and there is no amount outstanding as on date.

**Detailed description of the key rating drivers:** Not Applicable

**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

**Analytical approach:** Not Applicable

**About the company**

Pahal Financial Services Private Limited (PFSP; rated 'CARE BBB-; Stable') is a non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India in 2011 and registered as an NBFC-MFI w. e. f. January 29, 2014.

PFSP commenced operations with acquisition of a portfolio of ₹2.60 crore created under the joint-liability group (JLG) model from Ahmedabad-based Lok Vikas Nidhi (a division of Vikas Centre of Development), which had a track record of over 25 years. Thereafter, PFSP has expanded operations to several districts in Gujarat and nearby states. At present, PFSP offers microfinance loans to women through its network of 143 branches in 76 districts of Gujarat, Madhya Pradesh, Rajasthan, Maharashtra, Bihar, Chhattisgarh and Uttar Pradesh.

**Key Financial Indicators**

Brief Financials (₹ crore) (As per IND AS)	FY20 (A)	FY21 (A)	9MFY22 (UA)
Total income	144	160	126
PAT	15.9	4	2
Debt / Equity ratio	4.99	5.07	6.65
AUM	736	773	843
Gross NPA (%)	0.23	2.30	8.13
ROTA (%) (PAT/Average adjusted assets)	2.7	0.58	0.22

A-Audited; UA- Unaudited

**Status of non-cooperation with previous CRA:** Not Applicable

**Rating history for last three years:** Please refer Annexure-2

**Any other information:** Nil

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating assigned along with Rating Outlook
Pass-through Certificates	-	-	-	-	0.00	Withdrawn
Pass-through Certificates	-	-	-	-	0.00	Withdrawn

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Annexure-2: Rating history of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) & Rating(s) assigned in 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Pass-through Certificates	LT	-	-	-	1)CARE AA (SO) (10-Feb-22) 2)CARE A (SO) (05-Apr-21)	1)Provisional CARE A (SO) (29-Dec-20)	-
2	Pass-through Certificates	LT	-	-	-	1)CARE A+ (SO) (10-Feb-22) 2)CARE BBB (SO) (05-Apr-21)	1)Provisional CARE BBB (SO) (29-Dec-20)	-

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

**Annexure-4:** Complexity level of various instruments rated for this company

Sr. No	Name of Instrument	Complexity Level
1	Pass-through Certificates	Highly Complex

**Annexure-5: Bank lender details for this company:** Not applicable

**Note on complexity levels of the rated instrument:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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