

No. CTL/DEB/20-21/Noting Certificate/3099

November 20, 2020

To Whomsoever It May Concern,

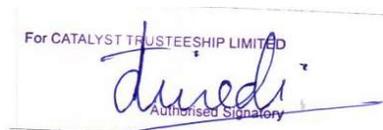
CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Pahal Financial Services Private Limited** (“**the Company**”) for the Half year ended September 30, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For **Catalyst Trusteeship Limited**



Authorised Signatory

Encl: Results submitted by Company



Manubhai & Shah LLP

Chartered Accountants

Independent Auditor's Report on the unaudited standalone financial results of Pahal Financial Services Private Limited pursuant to the regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of
Pahal Financial Services Private Limited

We have audited the accompanying Statement of half yearly Financial Results of **Pahal Financial Services Private Limited** ("the Company"), for the half year ended September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This statement, which is responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' (Ind AS 34), prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 52 of listing regulations. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

As described in Note 8 to the statement, Company has not made any additional provision in the accounts with respect to the Loan given to M/s Sambandh Finserve Private Limited since the outcome of various proceedings initiated against the borrower is not yet ascertained and the loan account was falling under stage 1 as at 30th September, 2020.

Our conclusion is not modified in respect of the above matter.

Place: Ahmedabad
Date: November 13, 2020



For Manubhai & Shah LLP
Chartered Accountants
Firm Regn. No. 106041W/W100136

(J. D. Shah.)
Partner
Membership No. 100116
UDIN : 20100116AAAAGS7866

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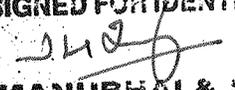
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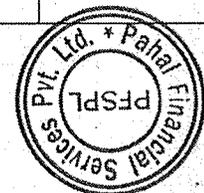
Pahal Financial Services Private Limited
 Regd. Office : 1st Floor - 2, City Mall, Nr. Rajpath Club, S.G. Highway, Ahmedabad 380 059
 Ph. : 079 - 40373857 Email : ho@pahalfinance.com
 Website : www.pahalfinance.com
 CIN : U65910GJ1994PTC082668

Statement of Unaudited Financial Results For the Half Year Ended September 30, 2020

(Rupees in Lakhs)

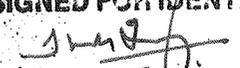
S. No.	Particulars	For the half Year ended Sept 30, 2020 (Unaudited)	For the half Year ended Sept 30, 2019 (Unaudited)	For the Year ended March 31, 2020 (Audited)
	Revenue from operations			
(i)	Interest Income	8,204.65	6,128.24	13,544.32
(ii)	Fees and commission Income	168.74	117.67	562.42
(iii)	Net gain on fair value changes	25.45	-	158.92
(iv)	Net gain on derecognition of financial instruments under amortised cost category	-	185.98	-
(v)	Other operating revenues	4.86	55.61	30.74
(I)	Total Revenue from operations	8,403.70	6,487.50	14,296.40
(II)	Other Income	11.89	104.78	91.72
(III)	Total Income (I+II)	8,415.59	6,592.28	14,388.12
	Expenses			
(i)	Finance Costs	4,169.56	3,408.63	7,393.70
(ii)	Net loss on derecognition of financial instruments under amortised cost category	211.06	-	194.46
(iii)	Impairment on financial instruments	836.55	227.72	450.65
(iv)	Employee Benefits Expenses	1,356.12	1,209.50	2,671.83
(v)	Depreciation, amortization and impairment	22.08	15.98	36.61
(vi)	Other expenses	642.00	522.53	1,304.62
(IV)	Total Expenses	7,237.37	5,384.36	12,051.88
(V)	Profit before exceptional items and tax (III-IV)	1,178.21	1,207.92	2,336.25
(VI)	Tax Expense:			
(i)	Current Tax	600.79	325.00	788.92
(ii)	MAT Credit Adjustment	-	-	-
(iii)	Deferred Tax	(254.95)	(15.76)	(42.44)
	Total Tax Expense	345.84	309.24	746.48
(VII)	Profit for the period (V-VI)	832.37	898.68	1,589.76
(VIII)	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
(i)	Remeasurement of Defined Benefit Obligations	(1.40)	(7.28)	(15.66)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	Subtotal (A)	(1.40)	(7.28)	(15.66)
	B. Items that will be reclassified to profit or loss			
(i)	Items that will be reclassified to profit or loss	-	-	-
(ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Subtotal (B)	-	-	-
	Other Comprehensive Income (A+B)	(1.40)	(7.28)	(15.66)
(IX)	Total Comprehensive Income for the period (VII + VIII)	830.97	891.40	1,574.10
(X)	Earnings per equity share (Face value Rs. 10/- per equity share)			
	Basic (Rs.)	2.66	4.09	6.73
	Diluted (Rs.)	2.65	4.06	6.68

SIGNED FOR IDENTIFICATION BY

 13/11/2020
MANUBHAI & SHAH LLP
CHARTERED ACCOUNTANTS

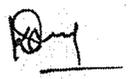


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Balance Sheet

		(Rupees in Lakhs)	
S. No.	Particulars	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
	ASSETS		
[1]	Financial Assets		
(a)	Cash and cash equivalents	12,366.48	7,798.50
(b)	Bank Balance other than (a) above	3,578.03	3,364.21
(c)	Derivative financial instruments		
(c)	Trade Receivables	715.96	471.42
	(I) Trade Receivables		
	(II) Other Receivables		
(d)	Loans	54,053.67	54,561.50
(e)	Other Financial assets	2,300.76	1,866.60
		73,014.90	68,062.23
[2]	Non-financial Assets		
(a)	Current tax assets (Net)		111.89
(b)	Deferred tax Assets (Net)	275.48	20.53
(c)	Property, Plant and Equipment	138.68	140.47
(d)	Intangible assets under development	11.11	12.02
(e)	Other Intangible assets		
(f)	Right of Use Asset		
(e)	Other non-financial assets	23.73	53.43
		449.00	338.35
	Total Assets	73,463.90	68,400.58
	LIABILITIES AND EQUITY		
	LIABILITIES		
[1]	Financial Liabilities		
(a)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises		
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	833.95	301.34
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises		
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
(b)	Debt Securities	17,377.04	15,241.46
(c)	Borrowings (Other than Debt Securities)	35,696.91	35,010.01
(d)	Deposits		
(d)	Subordinated Liabilities	3,680.08	3,677.87
(e)	Other financial liabilities	2,379.33	2,638.40
		59,967.31	56,869.08
[2]	Non-Financial Liabilities		
(a)	Current tax liabilities (Net)		
(a)	Current tax assets (Net)	458.81	
(b)	Provisions	8.59	24.62
(c)	Other non-financial liabilities	39.77	137.33
		507.17	161.95
[3]	EQUITY		
(a)	Equity Share capital	3,218.46	3,054.29
(b)	Instruments entirely equity in nature		
(b)	Other Equity	9,770.96	8,315.26
	Total Equity	12,989.42	11,369.55
	Total Liabilities and Equity	73,463.90	68,400.58

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Notes attached to Unaudited Financial Results For the Half Year Ended September 30, 2020

1. The company is a Non Banking Finance Company - Micro Finance Institution ('NBFC-MFI'), registered with the Reserve Bank of India.
2. The above financial results of the Company (the "Statement") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its Meeting held on November 12, 2020 and have been subjected to review by the statutory auditors of the Company.
3. The Company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
4. Earning per share (EPS) for the half year ended September 30, 2020 and September 30, 2019 is calculated for six months and not annualised.
5. The Novel Coronavirus (COVID-19) pandemic has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020 the Government of India announced a nation wide lockdown till April 14, 2020 which was extended till May 31, 2020 through subsequent announcements, to contain the spread of the virus. This lead to significant disruptions and dislocations for individuals and businesses, impacting company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

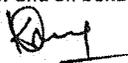
The company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and has evaluated the asset-liability maturity (ALM) pattern in various time buckets as prescribed under the guidelines issued by the RBI. As observed since the resumption of operations, the management is confident that collections will continue to improve, although likely to be at a lower level than earlier. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, Loan Moratorium and various other financial support from other banks and financial institutions in determining the company's liquidity position over the next few months from the end of reporting based on the foregoing and necessary stress tests considering various scenarios, management believes that the company will be able to fulfill its obligations as and when these become due in the foreseeable future.

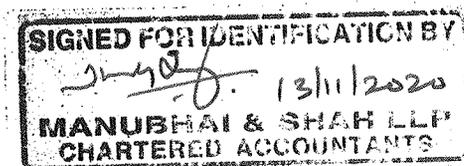
During the half year ended September 30, 2020, the company has made an additional provision of expected credit loss of Rs. 171.08 lakhs due to COVID-19 pandemic.

6. The information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per "Annexure A" attached.
7. Previous year's/period's figures have been regrouped / reclassified wherever necessary.
8. The Company has given loan to M/s Sambandh Finserve Private Limited ("Borrower") under SME Loans category. As on September 30, 2020, the balance in Loan was classified under Stage 1 with an outstanding amount of Rs. 476.19 Lakhs. The borrower has failed in repayment of instalment due in the month of November 2020. Further, the borrower has not created charge of hypothecation against portfolio as security obligation in favour of Company. As per preliminary reports, the borrower had defaulted in loan repayment to various lenders including Nationalised and Private Sector banks as well as Financial Institutions. Various proceedings have been initiated against the borrower by regulators / Board of Directors of the Borrower Company. The outcome thereof is not yet ascertained and since the loan account was falling under stage 1 as at 30th September, 2020, no additional provision has been made in the accounts.

Place : Ahmedabad
Date : November 13, 2020

For and on behalf of the Board of Directors


Kartik Mehta
Managing Director
DIN: 02083342



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Notes attached to Unaudited Financial Results For the Half Year Ended September 30, 2020

Annexure A
 Additional Information

a) Credit Rating

The CARE and ICRA have assigned following ratings to Company.

Facility	Credit Rating Agency ICRA	Credit Rating Agency CARE
Bank Facilities	BBB - / Stable	
Non-Convertible Debentures	BBB - / Stable	BBB - / Stable
Subordinated Debt		BBB - / Stable

b) Debt-Equity Ratio*

The debt-equity ratio as per the reviewed financial results by statutory auditors for the half year ended September 30, 2020 is 4.46

c) Previous Due Date for payment of Interest / dividend for non convertible redeemable preference shares / Repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not.

Due Date	Debentures/ Pref sh hol	Nature of Payment	Status of Payment
29/09/2020	ResponsAbility - MEF	Interest	Paid
29/09/2020	ResponsAbility - UTI	Interest	Paid
30/09/2020	IFMR Fimpact	Interest	Paid
30/09/2020	IFMR Fimpact	Interest	Paid
23/04/2020	Blue Orchard	Interest	Paid
08/04/2020	Blue Orchard	Interest+Principal	Paid
30/06/2020	Blue Orchard	Interest	Paid

d) Next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable.

Due Date	Debentures/ Pref sh hol	Nature of Payment
29/12/2020	ResponsAbility - MEF	Interest
29/12/2020	ResponsAbility - UTI	Interest
31/12/2020	IFMR Fimpact	Interest
31/12/2020	IFMR Fimpact	Interest
23/10/2020	Blue Orchard	Interest+Principal
08/10/2020	Blue Orchard	Interest
30/12/2020	Blue Orchard	Interest
05/10/2020	Blue Orchard	Interest

e) Outstanding redeemable preference shares

Nos.	Face Value	Value
Nil	N.A.	Nil

f) Capital Redemption Reserve / Debenture Redemption Reserve

Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18 (7) (b) (ii) of Companies (Share Capital and Debenture) Rules, 2014.

g) Net Worth**

Rs. 12713.94 Lakhs

h) Net Profit After Tax

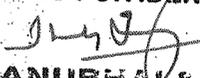
Rs. 832.37 Lakhs

i) Earnings Per Share

Rs. 2.66

*Debt Equity Ratio is (Long Term Borrowing + Short Term Borrowing + Current Maturities of Long term borrowing) / Networth

** Networth is equal to share capital plus reserves and surplus less deferred tax

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