



Press Release
ARTH MICRO FINANCE PRIVATE LIMITED
April 01, 2025
Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	60.61	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	44.75	ACUITE D Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	105.36	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-
* The issuer did not co-operate; based on best available information.			

Rating Rationale

Acuite has downgraded its long-term rating to ‘**ACUITE D**’ (read as **ACUITE Df**) from ‘**ACUITE BBB**’ (read as **ACUITE triple B**) on the Rs.44.75 Cr. bank facilities of Arth Micro Finance Private Limited (AMFPL). Acuite has downgraded its long-term rating of ‘**ACUITE C**’ (read as **ACUITE Cf**) from ‘**ACUITE BBB**’ (read as **ACUITE triple B**) on the Rs.60.61 Cr. bank facilities of Arth Micro Finance Private Limited (AMFPL). The rating is now flagged as “Issuer Not-Cooperating” and is based on the best available information. The downgrade in rating is on account of banker feedback received mentioning the account categorisation as NPA.

About the Company

Incorporated in 1996, Arth Micro Finance Private Limited a Rajasthan based microfinance institution engaged in providing micro finance loans to below poverty line women groups located in Rajasthan, Madhya Pradesh, Punjab and Haryana. The Directors of the company currently includes Mr. Pramod Kumar Paliwal & Mr. Kuldeep Kumar Arora.

Unsupported Rating

Not Applicable.

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 Ratings & Research Limited www.acuite.in 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

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry

from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité 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."

Liquidity Position

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

Outlook

Not Applicable.

Other Factors affecting Rating

None.

Key Financials:

Particulars	Unit	FY24 (Actual)	FY23(Actual)
Total Assets	Rs. Cr.	204.90	176.83
Total Income*	Rs. Cr.	33.73	32.53
PAT	Rs. Cr.	4.59	4.75
Net Worth	Rs. Cr.	47.59	41.50
Return on Average Assets (RoAA)	(%)	2.40	2.86
Return on Average Net Worth (RoNW)	(%)	10.29	12.43
Debt/Equity	Times	3.19	3.02
Gross NPA	(%)	-	0.70
Net NPA	(%)	-	0.00

Status of non-cooperation with previous CRA

Not Applicable.

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None.

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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
25 Jan 2024	Proposed Long Term Bank Facility	Long Term	0.30	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.04	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.75	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.16	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.94	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.85	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.50	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	8.67	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	5.94	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	2.67	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	9.17	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.80	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.86	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	24.00	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	5.25	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	3.78	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	5.33	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	4.85	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	7.27	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	3.09	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.96	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	8.49	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.55	ACUITE BBB (Reaffirmed & Withdrawn)
	Term Loan	Long Term	2.73	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.43	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.79	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.24	ACUITE Not Applicable (Withdrawn)

	Term Loan	Long Term	0.42	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.95	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	2.00	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	1.51	ACUITE Not Applicable (Withdrawn)
31 Oct 2022	Term Loan	Long Term	0.24	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	0.42	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	0.95	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	2.00	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	1.51	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	1.94	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	2.73	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	37.50	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	7.57	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	7.33	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	7.58	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	11.36	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	20.00	ACUITE BBB Stable (Assigned)
	Proposed Term Loan	Long Term	34.64	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Proposed Term Loan	Long Term	13.73	ACUITE BBB Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	9.28	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	0.43	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Term Loan	Long Term	0.79	ACUITE BBB Stable (Reaffirmed((Negative to Stable)))
	Proposed Non Convertible Debentures	Long Term	30.00	ACUITE BBB (Reaffirmed & Withdrawn)
	Proposed Long Term Bank Facility	Long Term	9.28	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	0.12	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.37	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.31	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.54	ACUITE BBB Negative (Reaffirmed)
		Long		

06 Apr 2022	Term Loan	Term	0.62	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	0.58	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	0.52	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	0.42	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.24	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.30	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	0.76	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.55	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.87	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	3.26	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	2.82	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	4.77	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	2.50	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	1.67	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	45.00	ACUITE BBB Negative (Reaffirmed)
	Term Loan	Long Term	10.00	ACUITE BBB Negative (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.30	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)
Union Bank of India	Not avl. / Not appl.	Term Loan	23 Mar 2021	Not avl. / Not appl.	30 Jun 2023	0.39	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)
Punjab National Bank	Not avl. / Not appl.	Term Loan	29 Sep 2021	Not avl. / Not appl.	30 Sep 2024	13.50	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)
UCO Bank	Not avl. / Not appl.	Term Loan	24 Sep 2021	Not avl. / Not appl.	30 Sep 2024	2.32	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
UCO Bank	Not avl. / Not appl.	Term Loan	30 Jun 2022	Not avl. / Not appl.	30 Jun 2026	6.22	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
Maanaveeya Development & Finance Private Limited	Not avl. / Not appl.	Term Loan	30 Dec 2021	Not avl. / Not appl.	30 Jun 2024	2.00	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	29 Sep 2021	Not avl. / Not appl.	30 Sep 2024	2.73	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
Bank of India	Not avl. / Not appl.	Term Loan	18 Sep 2021	Not avl. / Not appl.	30 Sep 2024	4.09	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)
* The issuer did not co-operate; based on best available information.								ACUITE C Downgraded

A U Small Finance Bank	avl. / Not appl.	Term Loan	21 Jul 2022	Not avl. / Not appl.	18 Jul 2024	1.91	Simple	Issuer not co- operating* (from ACUITE BBB)
ESAF Small Finance Bank	Not avl. / Not appl.	Term Loan	29 Aug 2022	Not avl. / Not appl.	31 Jul 2025	3.04	Simple	ACUITE D Downgraded Issuer not co- operating* (from ACUITE BBB)
State Bank of India	Not avl. / Not appl.	Term Loan	31 Aug 2022	Not avl. / Not appl.	31 Aug 2025	11.51	Simple	ACUITE C Downgraded Issuer not co- operating* (from ACUITE BBB)
Union Bank of India	Not avl. / Not appl.	Term Loan	30 Sep 2022	Not avl. / Not appl.	30 Sep 2025	2.04	Simple	ACUITE C Downgraded Issuer not co- operating* (from ACUITE BBB)
MAS Financial Service Ltd.	Not avl. / Not appl.	Term Loan	30 Sep 2022	Not avl. / Not appl.	25 Sep 2024	0.75	Simple	ACUITE C Downgraded Issuer not co- operating* (from ACUITE BBB)
Electronica Finance Ltd.	Not avl. / Not appl.	Term Loan	07 Dec 2022	Not avl. / Not appl.	05 Dec 2024	2.16	Simple	ACUITE D Downgraded Issuer not co- operating* (from ACUITE BBB)
Nabard Financial Services Limited	Not avl. / Not appl.	Term Loan	22 Dec 2022	Not avl. / Not appl.	15 Jan 2025	2.94	Simple	ACUITE C Downgraded Issuer not co- operating* (from ACUITE BBB)
Kissandhan Agri Financial Services Private Limited	Not avl. / Not appl.	Term Loan	28 Feb 2023	Not avl. / Not appl.	28 Feb 2025	1.85	Simple	ACUITE C Downgraded Issuer not co- operating* (from ACUITE BBB)
Dhanlaxmi Bank Ltd	Not avl. / Not appl.	Term Loan	31 Mar 2023	Not avl. / Not appl.	30 Sep 2026	3.50	Simple	ACUITE D Downgraded Issuer not co- operating* (from ACUITE BBB)
* The issuer did not co-operate; based on best available information.								ACUITE C Downgraded

Small Industries Development Bank of India	avl. / Not appl.	Term Loan	31 Mar 2023	Not avl. / Not appl.	10 Mar 2026	8.67	Simple	Issuer not co-operating* (from ACUITE BBB)
Indian Overseas Bank	Not avl. / Not appl.	Term Loan	29 Apr 2023	Not avl. / Not appl.	31 Mar 2026	5.94	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
Ambit Finvest Pvt. Ltd.	Not avl. / Not appl.	Term Loan	21 Aug 2023	Not avl. / Not appl.	05 Sep 2025	2.67	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
MANAVEEYA DEVELOPMENT AND FINANCE PRIVATE LIMITED	Not avl. / Not appl.	Term Loan	24 Jul 2023	Not avl. / Not appl.	30 Aug 2026	9.17	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
ESAF Small Finance Bank	Not avl. / Not appl.	Term Loan	10 Oct 2023	Not avl. / Not appl.	28 Feb 2026	5.00	Simple	ACUITE D Downgraded Issuer not co-operating* (from ACUITE BBB)
A U Small Finance Bank	Not avl. / Not appl.	Term Loan	15 Sep 2023	Not avl. / Not appl.	18 Oct 2025	3.00	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)
Capital Small Finance Bank	Not avl. / Not appl.	Term Loan	06 Nov 2023	Not avl. / Not appl.	21 Aug 2025	4.80	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)
Federal Bank	Not avl. / Not appl.	Term Loan	07 Nov 2023	Not avl. / Not appl.	22 Nov 2026	4.86	Simple	ACUITE C Downgraded Issuer not co-operating* (from ACUITE BBB)

* The issuer did not co-operate; based on best available information.

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