

May 15, 2023

Arohan Financial Services Limited: Ratings withdrawn for PTCs issued under one microfinance loan securitization transaction.

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current outstanding Amount (Rs. crore)	Rating Action
Aavishkaar July 2021 Trust	PTC Series A1	90.42	17.53	0.00	[ICRA]A-(SO) Withdrawn
Aavishkaar September 2021 Trust I	PTC Series A1	249.43	80.31	0.00	[ICRA]A-(SO) Withdrawn
Aavishkaar September 2021 Trust Series II	PTC Series A1	133.35	30.58	0.00	[ICRA]A(SO) Withdrawn
	PTC Series A2	5.96	5.96	0.00	[ICRA]BBB+(SO) Withdrawn
Aavishkaar December 2021 Trust I	PTC Series A1	86.46	12.37	0.00	[ICRA]A-(SO) Withdrawn
Aavishkaar December 2021 Trust III	PTC Series A1	65.97	5.11	0.00	[ICRA]AA(SO) Withdrawn
	PTC Series A2	6.60	6.60	6.60	[ICRA]A(SO); outstanding
Aavishkaar December 2021 Trust IV	PTC Series A1	47.34	8.22	0.00	[ICRA]A+(SO) Withdrawn
	PTC Series A2	1.35	1.35	1.35	[ICRA]A-(SO); outstanding

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the rating for pass through certificates (PTCs) issued under a microfinance loan receivables transaction originated by Arohan Financial Services Limited {Arohan/originator; as tabulated above. All the payouts to the investors in the above-mentioned instrument have been made and no further payments are due to the investors. The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale is available at the following links:

[Link](#)- Aavishkaar July 2021 Trust, Aavishkaar September 2021 Trust I, Aavishkaar September 2021 Trust II

[Link](#)- Aavishkaar December 2021 Trust I, Aavishkaar December 2021 Trust III, Aavishkaar December 2021 Trust IV

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal Of Credit Rating
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Arohan Financial Services Limited is a Kolkata-headquartered non-banking financial company-microfinance institution (NBFC-MFI). It was incorporated on September 27, 1991. Arohan is engaged in the business of microlending mainly to women borrowers and operates on the joint liability group (JLG) model. It was set up through the acquisition of an existing NBFC, ANG Resources Ltd, with the support of Bellwether Microfinance Fund. The company's name was changed to Arohan Financial Services Limited in March 2008. Arohan became a part of the Aavishkar Group in September 2012. As on March 31, 2022, it was catering to 18.6 lakh borrowers through a network of 749 branches spread across 225 districts and 14 states while managing a portfolio of Rs. 4,699 crores.

Key financial indicators (audited)

	FY2021	FY2022	H1 FY2023
Total income	1,014	920	526
Profit after tax	(160)	61	40
Gross loan portfolio	4,648	4,122	4,699
Gross non-performing assets (NPA)	11.2%	4.5%	3.09%
Net NPA	4.0%	1.4%	0.79%

Source: Company data, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Trust Name	Instrument	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years			
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
							May 15, 2023	October 25, 2022	
1	Aavishkaar July 2021 Trust	PTC Series A1	90.42	00.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

	Trust Name	Instrument	Current Rating (FY2024)			Chronology of Rating History for the Past 3 Years			
			Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
							May 15, 2023	October 25, 2022	
2	Aavishkaar September 2021 Trust I	PTC Series A1	249.43	0.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
					May 15, 2023	October25,2022	December20,2021	October01,2021	-
3	Aavishkaar September 2021 Trust Series II	PTC Series A1	133.35	0.00	[ICRA]A(SO) Withdrawn	[ICRA]A(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-
		PTC Series A2	5.96	0.00	[ICRA]BBB+(SO) Withdrawn	[ICRA]BBB+(SO)	[ICRA]BBB+(SO)	Provisional [ICRA]BBB+(SO)	-

	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
					May 15, 2023	January19,2023	February28,2022	December03,2021	-
4	Aavishkaar December 2021 Trust I	PTC Series A1	86.46	0.00	[ICRA]A-(SO) Withdrawn	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
					May 15, 2023	January 19,2023	February28,2022	January 04, 2022	-
5	Aavishkaar December 2021 Trust III	PTC Series A1	65.97	0.00	[ICRA]AA(SO) Withdrawn	[ICRA]AA(SO)	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-
		PTC Series A2	6.60	6.60	[ICRA]A(SO);	[ICRA]A(SO)	[ICRA]A(SO)	Provisional [ICRA]A(SO)	-

	Trust Name	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years			
		Instrument	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in 2024	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021
					May 15,2023	January 19,2023	February 28,2022	January 04,2022	-
6	Aavishkaar December 2021 Trust IV	PTC Series A1	47.34	0.00	[ICRA]A+(SO) Withdrawn	[ICRA]A+(SO)	[ICRA]A+(SO)	Provisional [ICRA]A+(SO)	-
		PTC Series A2	1.35	1.35	[ICRA]A-(SO);	[ICRA]A-(SO)	[ICRA]A-(SO)	Provisional [ICRA]A-(SO)	-

Complexity level of the rated instrument

Instrument	Instrument	Complexity Indicator
Aavishkaar July 2021 Trust	PTC Series A1	Moderately Complex
Aavishkaar September 2021 Trust I	PTC Series A1	Moderately Complex
	PTC Series A1	Moderately Complex

Aavishkaar September 2021 Trust Series II	PTC Series A2	Moderately Complex
Aavishkaar December 2021 Trust I	PTC Series A1	Moderately Complex
Aavishkaar December 2021 Trust III	PTC Series A1	Moderately Complex
	PTC Series A2	Moderately Complex
Aavishkaar December 2021 Trust IV	PTC Series A1	Moderately Complex
	PTC Series A2	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

Trust Name	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating
Aavishkaar July 2021 Trust	PTC Series A1	August 2021	9.65%	April 2023	0.00	[ICRA]A-(SO) Withdrawn
Aavishkaar September 2021 Trust I	PTC Series A1	September 2021	10.00%	June 2023	0.00	[ICRA]A-(SO) Withdrawn
Aavishkaar September 2021 Trust Series II	PTC Series A1	September 2021	9.00%	May 2023	0.00	[ICRA]A(SO) Withdrawn
	PTC Series A2		14.00%		0.00	[ICRA]BBB+(SO)Withdrawn
Aavishkaar December 2021 Trust I	PTC Series A1	December 2021	9.65%	July 2023	0.00	[ICRA]A-(SO) Withdrawn
Aavishkaar December 2021 Trust III	PTC Series A1	December 2021	8.75%	September 2023	0.00	[ICRA]AA(SO) Withdrawn
	PTC Series A2		12.50%		6.60	[ICRA]A(SO)
Aavishkaar December 2021 Trust IV	PTC Series A1	December 2021	9.00%	September 2023	0.00	[ICRA]A+(SO) Withdrawn
	PTC Series A2		14.00%		1.35	[ICRA]A-(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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