

November 26, 2024

Aviom India Housing Finance Pvt Ltd: Rating downgraded to [ICRA]D; moved to Non-Cooperating Category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture	290.00	290.00	[ICRA]D; ISSUER NOT COOPERATING; downgraded from [ICRA]BBB+ (Stable) and rating moved to 'ISSUER NOT COOPERATING' category
Total	290.00	290.00	

*Instrument details are provided in Annexure I

Rationale

Material Event

On [November 22, 2024](#), Aviom India Housing Finance Pvt Ltd (AIHFPL) made a disclosure on the stock exchange about the potential discrepancies in the company's book of accounts, a fraud reported within the company and liquidity issues. As a result, the company is expecting a delay in the payment of interest.

Impact of Material Impact

Following the disclosure, ICRA has downgraded the ratings for AIHFPL due to the reported liquidity stress, which can lead to delays in the payment of interest and debt servicing. Accordingly, ICRA has downgraded the rating of the aforesaid company to [ICRA]D in accordance with its Policy on Default Recognition.

ICRA has also moved the rating for AIHFPL to the 'Issuer Not Cooperating' category on account of inadequate information regarding its performance and the uncertainty around its credit risk. The rating is denoted as '[ICRA]D; ISSUER NOT COOPERATING'. As part of its process and in accordance with its rating agreement with AIHFPL, ICRA has been trying to seek information from the entity to monitor its performance. Despite repeated requests, the entity's management has not provided the required information for monitoring and assessing the current risk profile. In the absence of requisite information and in line with ICRA's aforesaid policy, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Default Recognition Policy in Respect of Non-Cooperation by a Rated Entity
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

AIHFPL, which commenced operations in 2016, is a social impact focused affordable housing finance company catering to customers with undocumented informal income in urban and semi-urban areas. It operates in the white space between traditional housing finance and microfinance and provides loans for sanitation, home extension, home improvement, and construction and LAP to low-income families from the informal sector with a strong focus on women, thereby promoting women empowerment.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)		Chronology of rating history for the past 3 years								
	Type	Amount Rated (Rs Crore)	26-NOV-2024	FY2025		FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture	Long Term	290.00	[ICRA]D; ISSUER NOT COOPERATING	07-MAY-2024	[ICRA]BBB+ (Stable);downgraded to [ICRA]D and simultaneously upgraded to [ICRA]BBB+ (Stable)	27-OCT-2023	[ICRA]BBB+ (Stable)	25-OCT-2022	[ICRA]BBB (Stable)	20-AUG-2021	[ICRA]BBB- (Stable)
				07-MAY-2024	[ICRA]BBB+ (Stable)	27-OCT-2023	[ICRA]BBB+ (Stable)	06-DEC-2022	[ICRA]BBB (Stable)	28-OCT-2021	[ICRA]BBB (Stable)
				29-JUL-2024	[ICRA]BBB+ (Stable)	29-DEC-2023	[ICRA]BBB+ (Stable)	06-DEC-2022	[ICRA]BBB (Stable)	-	-
				29-JUL-2024	[ICRA]BBB+ (Stable)	29-DEC-2023	[ICRA]BBB+ (Stable)	-	-	-	-

Source: ICRA Research

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-convertible debenture	Very simple

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 analysing 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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details (as on November 22, 2024)

ISIN	Instrument Name	Date of allotment	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE0E2307179	NCD	Oct-27-2021	15.00%	Sep-28-2026	30.00	[ICRA]D; ISSUER NOT COOPERATING
INE0E2307161	NCD	Dec-23-2022	11.50%	Dec-23-2028	24.54	[ICRA]D; ISSUER NOT COOPERATING
INE0E2307153	NCD	Dec-28-2022	13.25%	Dec-04-2026	57.86	[ICRA]D; ISSUER NOT COOPERATING
INE0E2307195	NCD	Jan-31-2024	11.75%	Jan-31-2027	60.00	[ICRA]D; ISSUER NOT COOPERATING
INE0E2307229	NCD	Jul-31-2024	14.00%	Jan-31-2026	20.00	[ICRA]D; ISSUER NOT COOPERATING
Yet to be placed	NCD	NA	NA	NA	97.60	[ICRA]D; ISSUER NOT COOPERATING

Source: AIHFPL, ICRA Research

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

A M Karthik
+91 44 45964 308
a.karthik@icraindia.com

Manushree Sagar
+91 124 4545 316
manushrees@icraindia.com

Mishi Yadav
+91 124 4545 320
mishi.yadav@icraindia.com

Rajat Kher
+91 124 4545 833
rajat.kher@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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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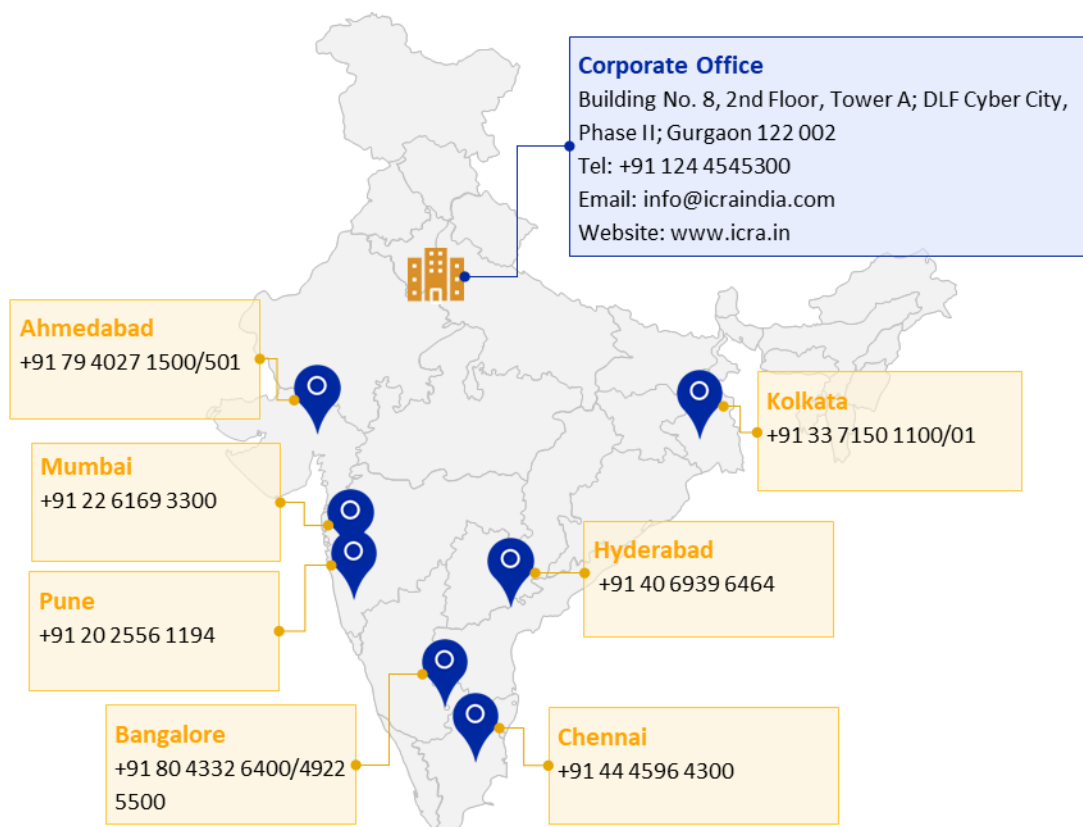


Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



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