

January 29, 2025

Aviom India Housing Finance Pvt Ltd: Rating downgraded based on best available information; continues to remain under Issuer Non-Cooperating category

Summary of rating action

Trust Name	Instrument [^]	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Argentum Trust 004	Series A1 PTC	19.32	17.31	17.31	Provisional [ICRA]B(SO) ISSUER NOT COOPERATING; downgraded from Provisional [ICRA]BB(SO) ISSUER NOT COOPERATING; continues to remain on Rating Watch with Negative Implications

[^]Instrument details are provided in Annexure I

Rationale

ICRA has downgraded the rating of pass-through certificates (PTCs) issued by Argentum Trust 004 backed by pool of home loan receivables originated by Aviom India Housing Finance Pvt Ltd {AIHFPL/Originator; rated [ICRA]D (Issuer not cooperating)}. The rating continues to remain under 'Issuer Not Cooperating' category and Rating Watch with Negative Implications. AIHFPL is also the servicer of the rated transaction.

The rating downgrade follows the communication received from the trustee (Catalyst Trusteeship Limited) for the transaction that the Collection and Payout account (CPA) was not funded by the servicer on the pay-in date to meet the payouts for January 2025. However, as per the transaction structure, only the interest is promised to the investors on each payout month while the principal is promised on the final maturity date. The trustee has confirmed that the promised PTC interest payout was met through the cash collateral (CC) available for the transaction. The rating continues to remain under rating watch with negative implications given the weak credit profile of the servicer which has led to delays in meeting its on-balance sheet debt repayments.

ICRA has been trying to seek information and copies of the executed documents from the entity in order to finalise the provisional rating assigned to the above-mentioned PTC. Despite repeated requests, the entity's management has remained non-cooperative. ICRA assesses whether the information available is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution, while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

The previous rating rationale is available on the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions Policy In Respect of Non-Cooperation By A Rated Entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

Pending actions/documents required to be completed for conversion of the provisional rating into final

The assigned rating is provisional and would be converted into a final rating upon the execution of:

1. Trust Deed
2. Assignment Agreement
3. Legal Opinion
4. Trustee Letter
5. Chartered Accountant's know your customer (KYC) certificate
6. Any other documents executed for the transaction

Validity of provisional rating

The trust is expected to complete the pending actions/execute the pending documents in the near term. However, in case of continued pendency of the actions/documents beyond one year of the provisional rating rationale dated 08 August 2024, the provisional rating would be withdrawn for the transaction even if the instrument has been issued.

Risks associated with the provisional rating

In case the issuance is completed, but the pending actions/documents are not completed for the transaction within one year (validity period) from the assignment of the rating, the provisional rating will be withdrawn in accordance with ICRA's Policy on Provisional Ratings available at www.icra.in.

About the originator

AIHFPL, which commenced operations in 2016, is an 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 loan against property (LAP) to low-income families from the informal sector with a strong focus on women, thereby promoting women empowerment. As per its release dated January 27, 2025, the Reserve Bank of India (RBI) superseded the Board of Directors of AIHFPL owing to governance concerns and defaults in meeting various on balance sheet payment obligations.

Aviom India Housing Finance Pvt. Ltd.	FY2022	FY2023	FY2024
Total income	158.0	241.9	416.8
Profit after tax	12.2	16.1	45.9
Total Managed assets	947.5	1,390	2,705
Gross stage 3	0.3%	0.6%	1.0%
CRAR	31.5%	40.6%	29.5%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

S. No.	Trust Name	Current Rating (FY2025)							Chronology of Rating History for the Past 3 Years		
		Instrument	Initial Amount Rated (Rs. crore)	Current Amount Rated (Rs. crore)	Date & Rating in FY2025				Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
					Jan 29, 2025	Dec 12, 2024	Nov 27, 2024	Aug 08, 2024			
1	Argentum Trust 004	Series A1 PTC	19.32	17.31	Provisional [ICRA]B(SO) ISSUER NOT COOPERATING; Rating Watch with Negative Implications	Provisional [ICRA]BB(SO); ISSUER NOT COOPERATING; Rating Watch with Negative Implications	Provisional [ICRA]BB(SO); Rating Watch with Negative Implications	Provisional [ICRA]A+(SO)	-	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Series A1 PTC	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 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

Trust Name	Instrument	Date of Issuance/Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
Argentum Trust 004	Series A1 PTC	Jul 31, 2024	12.50%^	Feb 15, 2034	17.31	Provisional [ICRA]B(SO); ISSUER NOT COOPERATING; Rating Watch with Negative Implications

Source: Company

^Linked to 3M SBI MCLR with 3 months reset; rate revision applicable from the date of change in MCLR

Annexure II: List of entities considered for consolidated analysis

Not applicable

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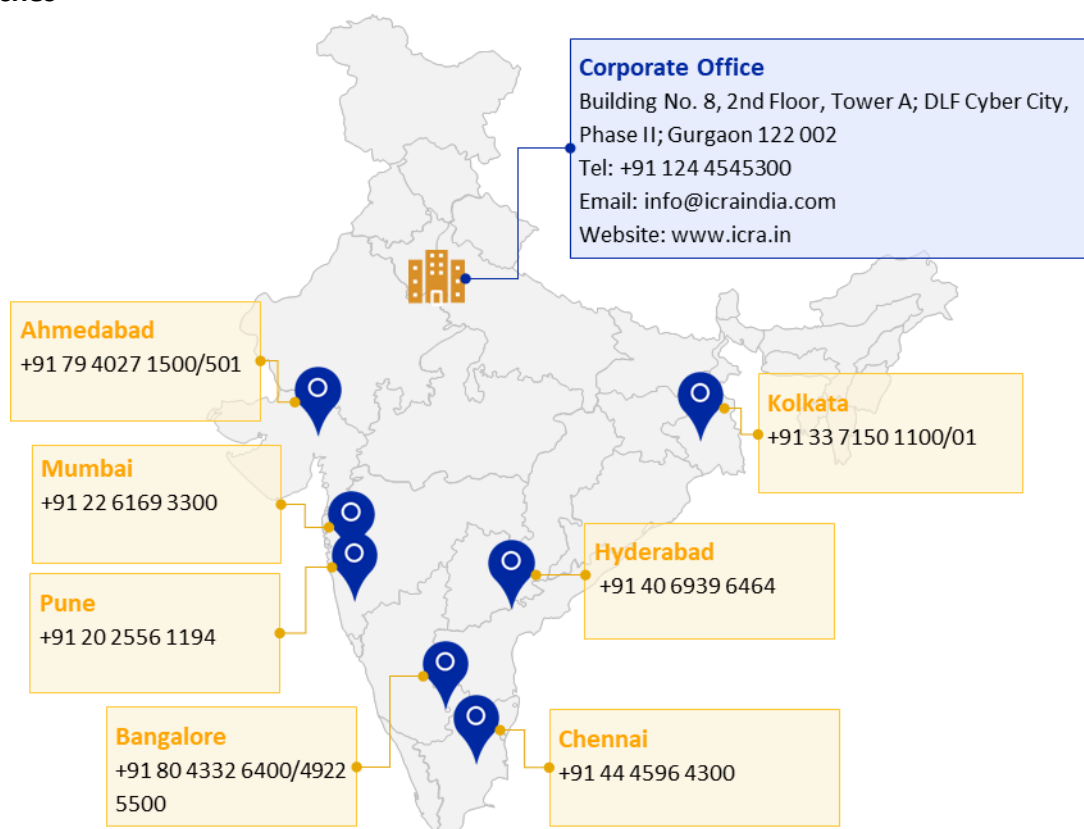


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