

April 24, 2026

Arohan Financial Services Limited: Ratings confirmed as final for PTCs backed by microfinance loan receivables issued by Ascent Alpha November 2025 and Ascent Beta November 2025

Summary of rating action

Trust Name	Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Ascent Alpha November 2025	Series A1 PTCs	101.20	[ICRA]AA+(SO); provisional rating confirmed as final
Ascent Beta November 2025	Series A1 PTC	95.64	[ICRA]AA+(SO); provisional rating confirmed as final
	Series A2 PTC	2.28	[ICRA]AA(SO); provisional rating confirmed as final

*Instrument details are provided in Annexure II

Rationale

ICRA had assigned provisional rating to the Series A1 Pass-Through Certificates (PTCs) issued by Ascent Alpha November 2025 under a securitisation transaction originated by Arohan Financial Services Limited {Arohan/Originator, rated [ICRA]A (Stable)}. The PTCs are backed by a pool of microfinance loan receivables originated by Arohan with an aggregate principal outstanding of Rs. 115.66 crore (pool receivables of Rs. 138.36 crore)..

ICRA had assigned provisional rating to the Series A1 Pass-Through Certificates (PTCs) and Series A2 Pass-Through Certificates (PTCs) issued by Ascent Beta November 2025 under a securitisation transaction originated by Arohan Financial Services Limited {Arohan/Originator, rated [ICRA]A (Stable)}. The PTCs are backed by a pool of microfinance loan receivables originated by Arohan with an aggregate principal outstanding of Rs. 113.86 crore (pool receivables of Rs. 134.63 crore).

Arohan is also the servicer for both the transactions.

Since the executed transaction documents are in line with the rating conditions and the legal opinion for both the transactions has been provided to ICRA, the said rating has now been confirmed as final.

Parameter	Ascent Alpha November 2025	Ascent Beta November 2025
Months post securitisation	4	4
Pool amortisation	19.61%	21.65%
PTC Series A1 amortisation Equity	22.41%	25.96%
Tranche amortisation	-	0.00%
Monthly prepayment rate	0.46%	0.36%
Monthly collection efficiency	98.17%	97.73%
Loss cum 0+ dpd	0.57%	0.82%
Loss cum 30+ dpd	0.34%	0.58%
Loss cum 90+ dpd	0.07%	0.21%
Cumulative cash collateral utilisation	0.00%	0.00%

Transaction structure

Ascent Alpha November 2025

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus EIS, after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events such as 90+DPD of the pool crossing 4.0% of original pool principal in any payout month, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTCs. Furthermore, on the occurrence of predefined EIS claw-back events such as 90+DPD of the pool crossing 8% of original pool principal in any payout month, the cumulative excess cash flows will be clawed back from originator and transferred to PTC investor towards early redemption of PTC principal. Any prepayment in the pool would be used for the prepayment of Series A1 PTC.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 9.38% of the initial pool principal, amounting to Rs. 10.84 crore, provided by the Originator, (ii) principal subordination of 12.50% of the initial pool principal for Series A1 PTC in the form of over-collateralisation (OC) (iii) the excess interest spread (EIS) of 14.30% of the initial pool principal for Series A1 PTC respectively.

Ascent Beta November 2025

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout for Series A1 PTC. The principal is expected to be paid on a monthly basis (100% of the pool principal billed) but is promised on the final maturity date. Any surplus excess interest spread (EIS), after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A1 PTC. Any prepayment in the pool would be used for the prepayment of Series A1 PTC principal.

Series A2 PTC is completely subordinated to Series A1 PTC. On payment of Series A1 PTCs in full, the interest payments on Series A2 PTCs are due and payable at every payout. Any surplus EIS, after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events, the residual EIS every month shall be utilised for accelerating the principal payment due to Series A2 PTC. Any prepayment in the pool would be used for the prepayment of Series A2 PTC principal.

Equity Tranche PTC is completely subordinated to Series A1 PTC and Series A2 PTC. The principal payment to the Equity Tranche is expected after the full redemption of Series A2 PTC. Any surplus EIS, after meeting the promised and expected payouts, will flow back to the Originator on a monthly basis. However, on the occurrence of predefined trigger events, the residual EIS every month shall be utilised for accelerating the principal payment due to the Equity Tranche.

If the portfolio at risk (PAR) 90 of the pool exceeds 5.00% of the initial principal outstanding, the EIS shall be utilised towards the repayment of Series A1 PTC till its full redemption, then Series A2 PTC till its full redemption and lastly towards redemption of Equity Tranche. The EIS utilisation trigger will be active only for the months for which the trigger condition is met and the same will be inactive otherwise.

The credit enhancement available in the structure is in the form of (i) a cash collateral (CC) of 6.00% of the initial pool principal, amounting to Rs. 6.83 crore, provided by the Originator, (ii) principal subordination of 16.00% of the initial pool principal for Series A1 PTC in the form of Series A2 PTC, Equity Tranche and over-collateralisation (OC) and subordination of 14.00% of the initial pool principal for Series A2 PTC in the form of Equity Tranche and over-collateralisation (iii) the excess interest spread (EIS) of 13.52% and 13.21% of the initial pool principal for Series A1 PTC and Series A2 PTC respectively.

Key rating drivers and their description

Credit strengths

Granular pool with available credit enhancement – The pool is granular for both the transactions with top 10 borrowers forming less than 0.07% of the pool principal, thereby reducing the exposure to any single borrower. Further, the credit

enhancement available in the form of the CC, subordination and EIS would absorb some amount of the losses in the pool and provide support in meeting the PTC payouts.

Seasoned contracts in the pool – The pool has weighted average pre-securitisation amortisation of 15.51% for Ascent Alpha November 2025 and 23.71% for Ascent Beta November 2025 as on the cut-off date with no delinquencies observed in any of the contracts, post loan disbursement, thereby reflecting the borrowers' relatively better credit profile.

No overdue contracts in the pool – Both the pool has been filtered in such a manner that there are no overdue contracts as on the cut-off date. Further, 99.99% and 99.97% of contracts in Ascent Alpha November 2025 and Ascent Beta November 2025 respectively have never been delinquent post loan disbursement, thereby reflecting the borrowers' relatively better credit profile, which is credit positive.

Adequate servicing capability of Arohan – The company has adequate processes for servicing of the loan accounts in the securitised pool. It has demonstrated a considerable track record of over a decade of regular collections across geographies and multiple economic cycles.

Credit challenges

High geographical concentration – The pool has high geographical concentration with the top 3 states contributing to ~59% for Ascent Alpha November 2025 and ~53% for Ascent Beta November 2025 to the initial pool principal amount. The pool's performance would thus be exposed to any state-wide disruption that may occur due to natural calamities, political events, etc.

Increasing delinquencies in microfinance sector – The microfinance sector has seen a decline in collections and consequently rise in delinquencies in the current fiscal on account of multiple factors like heat wave, general elections, borrower overleveraging and attrition in the collection teams. Any sustained impact of these factors on the collections from the pool would be a key monitorable.

Risks associated with lending business – The pool's performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans. The performance of microfinance loans would also be exposed to political and communal risks.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during its tenure at 4.25% for Ascent Alpha November 2025 and 4.00% for Ascent Beta November 2025 with certain variability around it. The average prepayment rate for the underlying pools is modelled in the range of 3.0% to 9.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument. [Details of key counterparties](#)

The key counterparties in the rated transactions are as follows:

Transaction Name	Ascent Alpha November 2025	Ascent Beta November 2025
Originator	Arohan Financial Services Limited	Arohan Financial Services Limited
Servicer	Arohan Financial Services Limited	Arohan Financial Services Limited
Trustee	Catalyst Trusteeship Limited	Catalyst Trusteeship Limited
CC bank	HSBC Bank	Axis Bank Limited
Collection and payout account bank	HSBC Bank	Axis Bank Limited

Liquidity position:

Ascent Alpha November 2025 Superior for Series A1 PTC

The liquidity for Series A1 PTC is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~7.75 times the estimated loss in the pool.

Ascent Beta November 2025 Series A1 PTC: Superior

The liquidity for Series A1 PTC is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~7.50 times the estimated loss in the pool.

Series A2 PTC: Superior

The liquidity for Series A2 PTC is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement would be ~7.00 times the estimated loss in the pool.

Rating sensitivities

Positive factors – The sustained strong collection performance of the underlying pool of contracts (monthly collection efficiency >95%), leading to lower-than-expected delinquency levels, and an increase in the cover available for future investor payouts from the credit enhancement would result in a rating upgrade.

Negative factors – The sustained weak collection performance of the underlying pool of contracts (monthly collection efficiency <90%), leading to higher-than-expected delinquency levels and higher credit enhancement utilisation levels, would result in a rating downgrade. Weakening in the credit profile of the servicer could also exert pressure on the rating.

Analytical approach

The rating action is based on the trustee confirming compliance with the terms of both the transactions and the executed transaction documents being in line with the terms initially shared with ICRA.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Arohan Financial Services Limited (Arohan) 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, 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 December 31, 2025, it was managing assets under management (AUM) of ~Rs. 6,308 crore.

EXHIBIT 1.Key Financial Indicators (Rs. Cr.)

Arohan Financial Services Limited	FY2024	FY2025	9M FY2026*
As per	Ind-AS	Ind-AS	Ind-AS
Total income	1,635	1,695	1,133
Profit after tax	314	110	61
Total managed assets (grossed up for provisions)	8,654	7,228	7,937
Gross stage 3 assets	1.7%	2.8%	1.6%
CRAR	29.0%	34.1%	31.2%

Managed gearing = (On-book borrowings + Securitised/assigned loan assets)/(Net worth)

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs crore; *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years		
		Instrument	Current amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
					April 24, 2026	Dec 08, 2025	-	-
1	Ascent Alpha November 2025	Series A1 PTC	101.20	101.20	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-

	Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years		
		Instrument	Current amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025	Date & rating in FY2024
					April 24, 2026	Dec 03, 2025	-	-
1	Ascent Beta November 2025	Series A1 PTC	95.64	95.64	[ICRA]AA+(SO)	Provisional [ICRA]AA+(SO)	-	-
		Series A2 PTC	2.28	2.28	[ICRA]AA(SO)	Provisional [ICRA]AA(SO)	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI

6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Trust name	Instrument	Complexity Indicator
Ascent Alpha November 2025	Series A1 PTC	Highly Complex
	Series A1 PTC	Highly Complex
Ascent Beta November 2025	Series A2 PTC	Highly 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 II: Instrument details

Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current amount rated (Rs. crore)	Current rating
Ascent Alpha November 2025	Series A1 PTCs	December 02, 2025	8.50%	July 17, 2027	101.20	[ICRA]AA+(SO)
	Series A2 PTCs		12.75%			

Source: Company

Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current amount rated (Rs. crore)	Current rating
Ascent Beta November 2025	Series A1 PTC	June 25, 2025	8.54%	January 19, 2028	95.64	[ICRA]AA+(SO)
	Series A2 PTC		12.75%		2.28	[ICRA]AA(SO)

Source: Company

Annexure III: List of entities considered for consolidated analysis

Not Applicable

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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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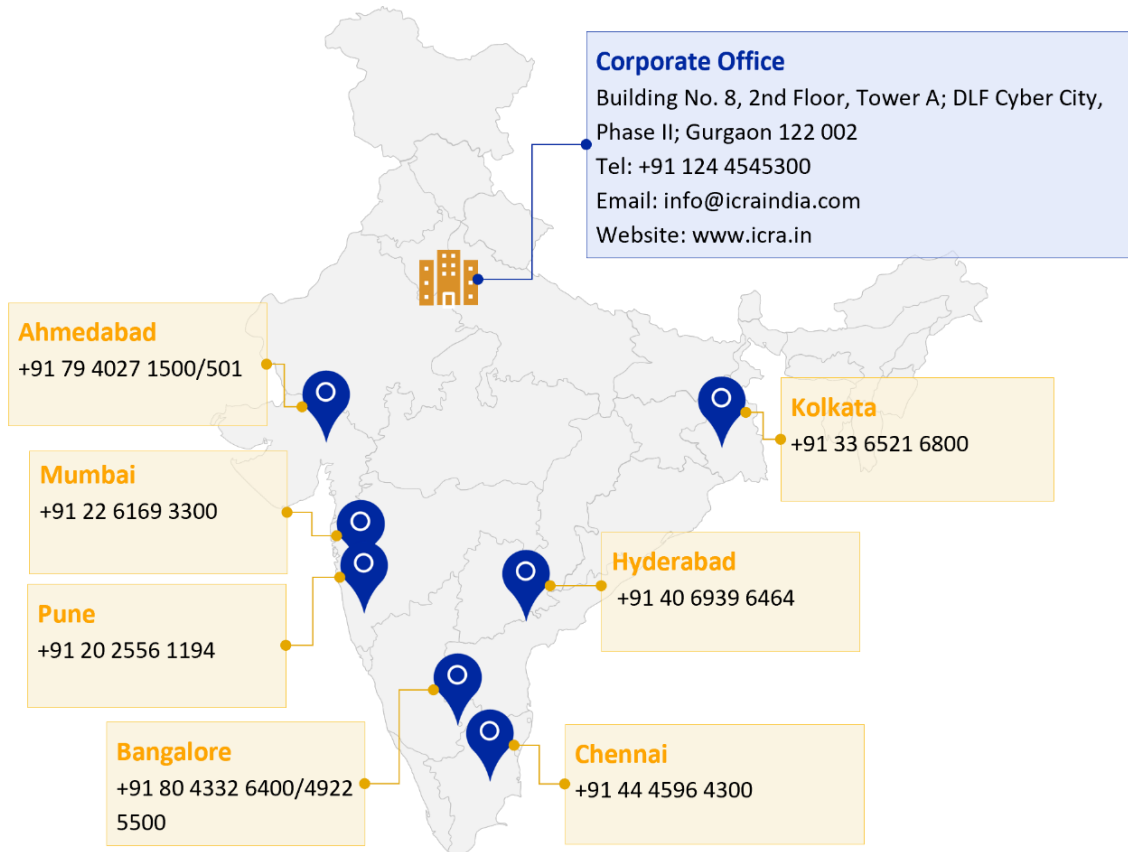


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