September 02, 2026

Arohan Financial Services Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding	Financial sector regulator#
Non-convertible debentures	25.00	25.00	[ICRA]A (Stable)	SEBI
Non-convertible debentures	200.00	200.00	[ICRA]A (Stable)	SEBI
Long-term bank facilities – Fund based	5,603.07	5,603.07	[ICRA]A (Stable)	RBI
Subordinated debt	25.00	25.00	[ICRA]A (Stable)	SEBI
Total	**5,853.07**	**5,853.07**		

**Instrument details are provided in Annexure I*

 # 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

Rationale

Arohan Financial Services Limited, vide its stock exchange filing and mail dated August 31, 2026, has intimated that the scheduled monthly interest payment aggregating Rs. 18,826.73 towards non-convertible debenture (NCD) bearing ISIN INE808K08061 could not be remitted to a few investors because of unavailability of their correct bank account details or closure of their bank accounts. However, ICRA notes that the entire unpaid amount was credited to a separate escrow account maintained with a scheduled commercial bank before the due date, i.e. August 31, 2026.

Arohan had sufficient liquidity in the form of cash and bank balances of ~Rs. 584 crore as on August 29, 2026, ~Rs. 542 crore as on August 30, 2026 and ~Rs. 542 crore as on August 31, 2026. The inability to make the payment to the investors concerned neither reflects its lack of ability nor willingness to service the debt obligations. The inability to make the payment was because of reasons beyond the control of the company as it could not gather the correct account details of the investors concerned or the bank account of the investor concerned had closed despite making efforts to approach them independently and through the Registrar and Transfer Agent (RTA).

Given that the company's fundamental credit profile remains intact and the unpaid amount had been transferred to a separate escrow account on the due date itself, its rating remains unchanged, in accordance with ICRA's Policy on Default Recognition.

The table below includes the details of the instruments concerned:

Name of security	ISIN	Total amount to be paid (Rs. lakh)	Due date of payment	Amount of payment made (Rs. lakh)	Amount of payment failed (Rs. lakh)	Reasons for failure of payment	Date when the amount corresponding to the failed payment was transferred to a separate escrow account
NCD	**INE808K08061**	27.28	August 31, 2026	27.09	0.19	Incorrect/closed account numbers	August 29, 2026*

** As per the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-3/P/CIR/2024/160 dated November 18, 2024, amount of Rs. 0.19 lakh has been deposited in an escrow account designated for coupon payments*

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position, and rating sensitivities: Click here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Non-banking finance companies (NBFCs) Policy on default recognition
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

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 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 Aavishkaar Group in September 2012. As on June 30, 2026, it was managing assets under management (AUM) of ~Rs. 7,669 crore.

Key financial indicators

Arohan Financial Services Limited	FY2025	FY2026	Q1 FY2027*
As per	**Ind-AS**	**Ind-AS**	**Ind-AS**
Total income	1,695	1,552	479
Profit after tax	110	122	105
Total managed assets (grossed up for provisions)	7,228	8,639	8,824
Return on average managed assets	1.4%	1.5%	4.8%
Managed gearing (times)	2.4	2.9	2.8
Gross stage 3 assets	2.9%	1.1%	0.9%
CRAR	34.1%	27.6%	26.2%

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

Source: Company, 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

	Current (FY2027)					Chronology of rating history for the past 3 years					
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	September 02, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term bank facilities – Fund based	Long term	5,603.07	[ICRA]A (Stable)	April 01, 2026	[ICRA]A (Stable)	Apr 02, 2025	[ICRA]A (Stable)	May 20, 2024	[ICRA]A (Stable)	Aug 14, 2023	[ICRA]A- (Positive)
				April 30, 2026	[ICRA]A (Stable)	May 02, 2025	[ICRA]A (Stable)	Oct 25, 2024	[ICRA]A; Rating Watch with Negative Implications	Nov 9, 2023	[ICRA]A- (Positive)
				June 02, 2026	[ICRA]A (Stable)	Jun 03, 2025	[ICRA]A (Stable)	Nov 11, 2024	[ICRA]A; Rating Watch with Negative Implications	Jan 10, 2024	[ICRA]A (Stable)
				July 02, 2026	[ICRA]A (Stable)	Jul 02, 2025	[ICRA]A (Stable)	Jan 14, 2025	[ICRA]A (Stable)	-	-
				August 04, 2026	[ICRA]A (Stable)	Aug 04, 2025	[ICRA]A (Stable)	Feb 4, 2025	[ICRA]A (Stable)	-	-
						Sep 02, 2025	[ICRA]A (Stable)	Mar 4, 2025	[ICRA]A (Stable)	-	-
						Sep 30, 2025	[ICRA]A (Stable)	-	-	-	-
						Nov 04, 2025	[ICRA]A (Stable)				
						Dec 02, 2025	[ICRA]A (Stable)				
						Jan 05, 2026	[ICRA]A (Stable)				
						Jan 13, 2026	[ICRA]A (Stable)				
						Feb 03, 2026	[ICRA]A (Stable)				
						Mar 03, 2026	[ICRA]A (Stable)				

	Current (FY2027)					Chronology of rating history for the past 3 years					
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	September 02, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
NCDs	Long term	200.00	[ICRA]A (Stable)	April 01, 2026	[ICRA]A (Stable)	Apr 02, 2025	[ICRA]A (Stable)	May 20, 2024	[ICRA]A (Stable)	Aug 14, 2023	[ICRA]A- (Positive)
				April 30, 2026	[ICRA]A (Stable)	May 02, 2025	[ICRA]A (Stable)	Oct 25, 2024	[ICRA]A; Rating Watch with Negative Implications	Nov 9, 2023	[ICRA]A- (Positive)
				June 02, 2026	[ICRA]A (Stable)	Jun 03, 2025	[ICRA]A (Stable)	Nov 11, 2024	[ICRA]A; Rating Watch with Negative Implications	Jan 10, 2024	[ICRA]A (Stable)
				July 02, 2026	[ICRA]A (Stable)	Jul 02, 2025	[ICRA]A (Stable)	Jan 14, 2025	[ICRA]A (Stable)	-	-
				August 04, 2026	[ICRA]A (Stable)	Aug 04, 2025	[ICRA]A (Stable)	Feb 4, 2025	[ICRA]A (Stable)	-	-
						Sep 02, 2025	[ICRA]A (Stable)	Mar 4, 2025	[ICRA]A (Stable)	-	-
						Sep 30, 2025	[ICRA]A (Stable)	-	-	-	-
						Nov 04, 2025	[ICRA]A (Stable)				
						Dec 02, 2025	[ICRA]A (Stable)				
						Jan 05, 2026	[ICRA]A (Stable)				
						Jan 13, 2026	[ICRA]A (Stable)				
						Feb 03, 2026	[ICRA]A (Stable)				
						Mar 03, 2026	[ICRA]A (Stable)				
NCDs	Long term	25.00	[ICRA]A (Stable)	April 01, 2026	[ICRA]A (Stable)	Apr 02, 2025	[ICRA]A (Stable)	May 20, 2024	[ICRA]A (Stable)	Aug 14, 2023	[ICRA]A- (Positive)

	Current (FY2027)					Chronology of rating history for the past 3 years					
				FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	September 02, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
				April 30, 2026	[ICRA]A (Stable)	May 02, 2025	[ICRA]A (Stable)	Oct 25, 2024	[ICRA]A; Rating Watch with Negative Implications	Nov 9, 2023	[ICRA]A- (Positive)
				June 02, 2026	[ICRA]A (Stable)	Jun 03, 2025	[ICRA]A (Stable)	Nov 11, 2024	[ICRA]A; Rating Watch with Negative Implications	Jan 10, 2024	[ICRA]A (Stable)
				July 02, 2026	[ICRA]A (Stable)	Jul 02, 2025	[ICRA]A (Stable)	Jan 14, 2025	[ICRA]A (Stable)	-	-
				August 04, 2026	[ICRA]A (Stable)	Aug 04, 2025	[ICRA]A (Stable)	Feb 4, 2025	[ICRA]A (Stable); downgraded to [ICRA]D and simultaneously upgraded to [ICRA]A (Stable)	-	-
						Sep 02, 2025	[ICRA]A (Stable)	Mar 4, 2025	[ICRA]A (Stable)	-	-
						Sep 30, 2025	[ICRA]A (Stable)	-	-	-	-
						Nov 04, 2025	[ICRA]A (Stable)				
						Dec 02, 2025	[ICRA]A (Stable)				
						Jan 05, 2026	[ICRA]A (Stable)				
						Jan 13, 2026	[ICRA]A (Stable)				
						Feb 03, 2026	[ICRA]A (Stable)				
						Mar 03, 2026	[ICRA]A (Stable)				
NCDs	Long term	-	-	-	-	-	-	May 20, 2024	[ICRA]A (Stable)	Aug 14, 2023	[ICRA]A- (Positive)
								Oct 25, 2024	[ICRA]A; Rating Watch with	Nov 9, 2023	[ICRA]A- (Positive)

	Current (FY2027)					Chronology of rating history for the past 3 years					
				FY2027		FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**September 02, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
									Negative Implications		
								Nov 11, 2024	[ICRA]A; Rating Watch with Negative Implications	Jan 10, 2024	[ICRA]A (Stable)
Subordinated debt	Long term	25.00	[ICRA]A (Stable)	April 01, 2026	[ICRA]A (Stable)	Apr 02, 2025	[ICRA]A (Stable)	May 20, 2024	[ICRA]A (Stable)	Aug 14, 2023	[ICRA]A- (Positive)
				April 30, 2026	[ICRA]A (Stable)	May 02, 2025	[ICRA]A (Stable)	Oct 25, 2024	[ICRA]A; Rating Watch with Negative Implications	Nov 9, 2023	[ICRA]A- (Positive)
				June 02, 2026	[ICRA]A (Stable)	Jun 03, 2025	[ICRA]A (Stable)	Nov 11, 2024	[ICRA]A; Rating Watch with Negative Implications	Jan 10, 2024	[ICRA]A (Stable)
				July 02, 2026	[ICRA]A (Stable)	Jul 02, 2025	[ICRA]A (Stable)	Jan 14, 2025	[ICRA]A (Stable)		
				August 04, 2026	[ICRA]A (Stable)	Aug 04, 2025	[ICRA]A (Stable)	Feb 4, 2025	[ICRA]A (Stable)		
						Sep 02, 2025	[ICRA]A (Stable)	Mar 4, 2025	[ICRA]A (Stable)		
						Sep 30, 2025	[ICRA]A (Stable)	-	-		
						Nov 04, 2025	[ICRA]A (Stable)				
						Dec 02, 2025	[ICRA]A (Stable)				
						Jan 05, 2026	[ICRA]A (Stable)				
						Jan 13, 2026	[ICRA]A (Stable)				
						Feb 03, 2026	[ICRA]A (Stable)				
						Mar 03, 2026	[ICRA]A (Stable)				

Complexity level of the rated instruments

Instrument	Complexity indicator
Subordinated debt	Simple
NCD	Simple
Long-term bank facilities – Fund based	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

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
INE808K08079	**NCD**	Mar-31-2022	13.65%	Jun-30-2027	200.00	[ICRA]A (Stable)	SEBI
INE808K08061	**NCD**	Oct-25-2019	12.85%	Oct-25-2026	25.00	[ICRA]A (Stable)	SEBI
NA	**Long-term bank facilities – Fund based**	Jun-08-2018 to Apr-02-2024	5.15-11.75%	Jul-10-2023 to Apr-30-2027	5,603.07	[ICRA]A (Stable)	RBI
NA	**Subordinated debt (term loan)**	Mar-30-2021	14.25%	Jun-04-2027	25.00	[ICRA]A (Stable)	SEBI

Source: Company

#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.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Not applicable

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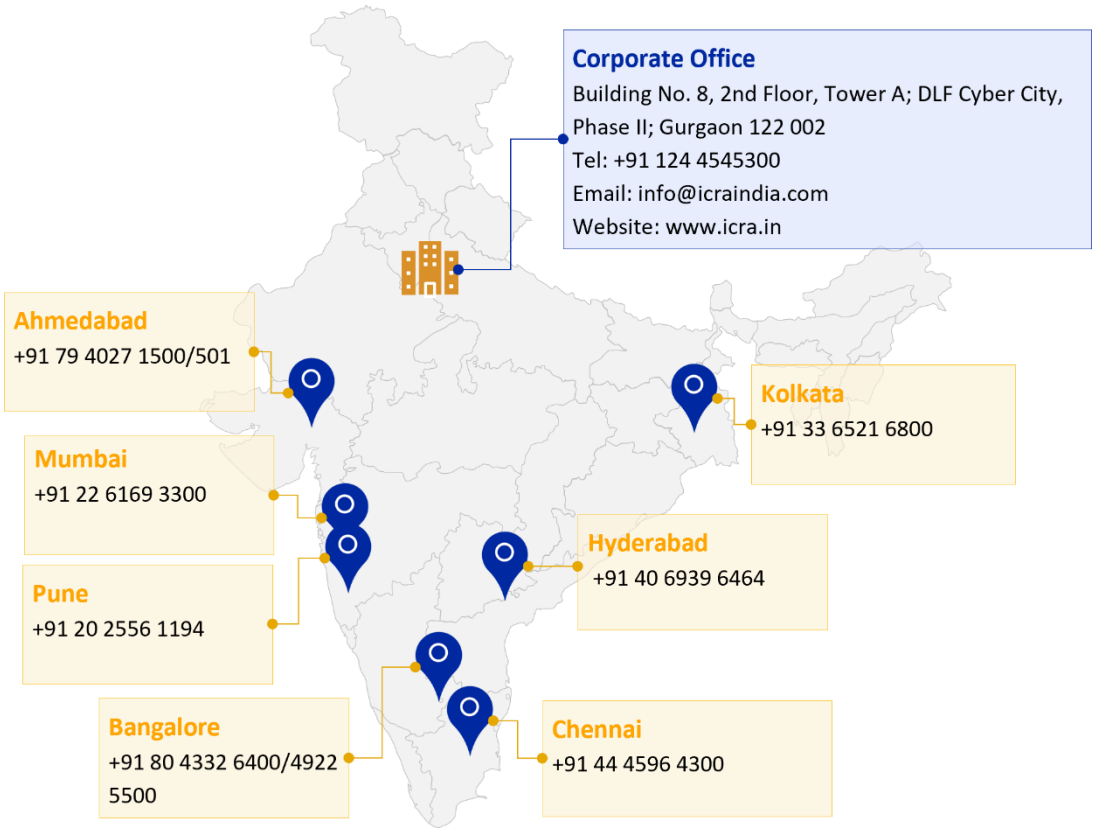

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