

September 09, 2024

Aptus Finance India Private Limited: Rating withdrawn for PTCs issued under a loan against property (LAP SME) loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. Crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Northern Arc 2019 SBL Artin	PTC Series A3	13.52	7.29	0.00	[ICRA]AAA(SO); Withdrawn

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by loan against property (LAP SME loans) receivables originated by Aptus Finance India Private Limited {Aptus/Originator; rated [ICRA]AA-(Stable)}. All the payouts to the investor in the above-mentioned instrument have been made and no further payments are due to the investor. The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The previous detailed rating rationale is available at this [link](#).

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 originator

Chennai-based Aptus, a housing finance company (HFC), was incorporated in December 2009. The company got listed on the stock exchange on August 24, 2021. Its target borrowers are from the low and middle-income segments, with an average ticket size of about Rs. 9-10 lakh. Its target geographies are the southern states, with a focus on rural and semi-urban areas. Aptus is primarily focused on self-employed customers with limited or no documentary evidence of their income and limited access to funding from banks and larger HFCs.

Aptus' wholly-owned subsidiary, Aptus Finance India Private Limited, extends mortgage loans to small and medium enterprises. On a standalone basis, Aptus Finance's AUM was about Rs. 2,092 crores as on June 30, 2024.

Aptus (consolidated) reported a net profit of Rs. 611.9 crore on a total managed asset base of Rs. 9,092 crore in FY2024 compared with Rs. 503.1 crore and Rs. 7,247 crore, respectively in FY2023, In Q1FY2025, the net profit stood at Rs.171.7 crore on a total managed asset base of Rs. 9,478 crore.

Key financial indicators

Consolidated	FY2023	FY2024	Q1 FY2025*
Total income [#]	1,129.0	1,409.2	403.6
Profit after tax	503.0	611.9	171.7
Total managed assets	7,247.1	9,091.9	9,478.3
Gross stage 3	1.2%	1.1%	1.3%
Capital-to-risk weighted assets ratio	77.4%	73.0%	71.8%

Source: Company data, ICRA Research; Amount in Rs. crore; *Provisional financials; [#] bad debt recovery has been netted off under credit cost

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date and Rating in FY2025	Date and Rating in FY2024	Date and Rating in FY2023	Date and Rating in FY2022
				Sep 09, 2024	Aug 17, 2023	Aug 30, 2022	Aug 10, 2021
Northern Arc 2019 SBL Artin	PTC Series A3	13.52	0.00	[ICRA] AAA(SO); withdrawn	[ICRA] AAA(SO)	[ICRA]AA+(SO)	[ICRA]AA-(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Northern Arc 2019 SBL Artin	PTC Series A3	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, is available on ICRA's website: www.icra.in

Annexure I: Instrument details

Trust Name	Instrument	Date of Issuance / Sanction	Coupon Rate (p.a.p.m.)	Maturity Date	Current Rated Amount (Rs. crore)	Current Rating
Northern Arc 2019 SBL Artin	PTC Series A3	July 29, 2019	12.50%	October 17, 2028	0.00	[ICRA]AAA(SO); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

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