

March 31, 2026

Aptus Finance India Private Limited: Rating reaffirmed/assigned for enhanced limits

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based term loan	750.00	950.00	[ICRA]AA (Stable); reaffirmed/assigned for enhanced amount
Total	750.00	950.00	

*Instrument details are provided in Annexure I

Rationale

Aptus Finance India Private Limited (Aptus Finance) is a wholly-owned subsidiary of Aptus Value Housing Finance India Limited {Aptus; rated [ICRA]AA (Stable)}. While arriving at the rating, ICRA has considered the consolidated profile of Aptus and Aptus Finance, henceforth referred to as the Aptus Group.

The rating considers the Aptus Group's track record of resilient performance and its strong capital profile. The Group's consolidated assets under management (AUM) increased at a compound annual growth rate (CAGR) of 28% during FY2021-FY2025 and further by 18% (annualised) in 9M FY2026, reaching Rs. 12,330 crore as of December 2025 (Rs. 10,865 crore as of March 2025). It is expected to rise at a CAGR of 20-25% over the medium term. The Group has maintained healthy asset quality, notwithstanding the slight increase in the gross stage 3 (GS3) in 9M FY2026 to 1.6% as of December 2025 from 1.2% as of March 2025 (1.3% as of December 2024). Moreover, it continued to maintain robust profitability with a return on managed assets (RoMA) of 7.4% in 9M FY2026 vis-à-vis 7.3% in FY2025. ICRA notes that the Group's leverage has largely remained low, supported by strong internal accruals, with its managed gearing at 1.7 times as of December 2025 (1.6 times as of March 2025). The strong capitalisation is expected to support portfolio growth over the medium term.

The non-housing loan (NHL) portfolio also continues to experience rapid growth and accounts for a sizeable share of the AUM. The company has been undertaking direct assignment transactions from FY2025 for its loan against property (LAP)/small and medium enterprise (SME) portfolio to improve the share of the on-book housing loan (HL) portfolio. The share of NHL increased to 49% as of December 2025 (46% in March 2025) on a consolidated basis.

The rating is constrained by low portfolio seasoning at present, considering the high growth rate witnessed over the years. ICRA also notes that the company is moving towards slightly higher ticket loans and has shifted its focus to loans with a ticket size of more than Rs. 7 lakh in the current fiscal. Further, the rating continues to factor in the modest credit profile of the Group's borrowers and the geographical concentration of operations.

The Stable outlook factors in ICRA's expectation that the Group would be able to maintain a range-bound asset quality performance and healthy profitability while sustaining its portfolio growth over the medium term.

Key rating drivers and their description

Credit strengths

Strong capital profile – Supported by steady internal accruals, the Group's consolidated net worth improved to Rs. 4,797 crore as of December 2025 (Rs. 4,316.7 crore as of March 2025). It had last raised capital in FY2022 via an initial public offering (IPO) of Rs. 500 crore. Aptus and Aptus Finance's capital to risk-weighted assets ratio (CRAR) remained robust at 70.5% and 26.7%, respectively, as of December 2025. The consolidated managed gearing stood at 1.7 times as of December 2025 (1.6 times as of March 2025) vis-à-vis 1.4 times in March 2024. The company targets to maintain its managed gearing below 4.0 times in the medium term, considering its growth plans.

Healthy profitability indicators – On a consolidated basis, the Group has continued to report healthy profitability with its RoMA at 7.4% in 9M FY2026 (provisional; annualised) vis-à-vis 7.3% in FY2025. The profitability remains supported by healthy net interest margins and operating efficiency. Credit costs increased slightly to 0.5% in 9M FY2026 from 0.3% in FY2025 on account of incremental provisioning due to the rise in delinquencies and higher write-offs. Write-offs were at 0.3% (annualised) in 9M FY2026 vis-à-vis 0.1% in FY2025 on account of the introduction of a write-off policy for loans with 500+ days past due (dpd). Operating expenses remained under control at 2.6% in 9M FY2026 vis-à-vis 2.5% in FY2025, notwithstanding the steady expansion of the branch network. ICRA notes that the Group has consistently improved its productivity metrics over the years – AUM per branch was Rs. 36.8 crore as of December 2025 vis-à-vis Rs. 18.2 crore as of March 2020. Similarly, AUM per employee improved to Rs. 3.2 crore as of December 2025 from Rs. 1.9 crore as of March 2020. Going forward, ICRA expects the Group to be able to maintain an optimal cost structure as the business expands.

Track record of maintaining good asset quality; however, portfolio seasoning is moderate – The Group primarily serves low and middle-income customers, including self-employed individuals. These are segments that inherently carry higher credit risk. To mitigate this, it maintains a conservative loan-to-value (LTV) approach, with 79% of the portfolio having an LTV of 50% or lower as of December 2025. Various measures, supported by conservative underwriting practices, have contributed to maintaining the overall credit quality. While the asset quality remains healthy, a slight moderation was seen in 9M FY2026, primarily due to NHLs. The GS3 increased to 1.6% as of December 2025 from 1.2% in March 2025 (1.3% in December 2024). Similarly, accounts overdue by more than 30 days rose to 6.2% in December 2025 from 5.9% in March 2025 and 5.4% in March 2024. Keeping incremental slippages under control would be crucial in view of the asset quality stress prevailing in the industry; this shall remain a key monitorable.

As of December 2025, the consolidated AUM was Rs. 12,330 crore, reflecting a strong CAGR of 28% during FY2021-FY2025 {18% (annualised) in 9M FY2026}. Disbursements in the trailing three years, in relation to the AUM as of December 2025, stood at 81%. Given the rapid pace of growth, the portfolio remains relatively unseasoned.

Credit challenges

Higher share of NHLs; exposure to borrowers with modest credit profiles – On a consolidated basis, the Group's AUM stood at Rs. 12,330 crore as of December 2025 (Rs. 10,865 crore as of March 2025) with the share of HLs at 51% (54% as of March 2025) and NHLs at 49%. On a standalone basis for Aptus, the share of HLs was higher at 72% as of December 2025. About 24% of the overall portfolio, as of December 2025, in the standalone book was towards quasi-HLs; these are extended to borrowers after house purchase or construction. These loans do not meet the National Housing Bank (NHB) guidelines for classification as HLs and are thus a part of the NHL book. On a standalone basis for Aptus Finance, the share of LAP was 44% as of December 2025 while SME loans accounted for the rest.

The Group continues to have a relatively high exposure to self-employed borrowers (76% of the overall portfolio as of December 2025). The target customers lack proper income documents and are more susceptible to income shocks. As such, the Group's ability to maintain stable asset quality performance on a sustained basis would be key. The risk is, however, partly offset by the company's in-house origination and collections team, prudent appraisal and lending norms, adequate portfolio tracking systems and security in the form of self-occupied property.

Geographically concentrated operations, notwithstanding steady improvement – The Group's operations are predominantly focussed on four southern states, i.e. Tamil Nadu (TN), Karnataka, Andhra Pradesh and Telangana, and the Union Territory (UT) of Puducherry with 335 branches as of December 2025. It has also expanded to Odisha and Maharashtra in the past two years, though their contribution to the portfolio is currently negligible. Andhra Pradesh accounted for 43% of the total portfolio followed by TN and Puducherry (31%), Telangana (17%) and Karnataka (8%). ICRA notes that the share of TN and Puducherry has declined from 72% as of March 2017 because of expansion in other states. While single state concentration is likely to improve over the medium term, the Group would predominantly focus on penetration in the existing states for the medium-term growth of its operations.

Environmental and social risks

While financial institutions like the Aptus Group do not face material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. If the entities or businesses, to which these financial institutions have an exposure, face business disruption because of physical climate adversities or if such businesses face climate transition risks because of technological, regulatory or customer behaviour changes, the same could translate into credit risks for financial institutions. However, such risk is not material for the Aptus Group as it benefits from adequate portfolio diversification.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for financial institutions as material lapses could be detrimental to their reputation and invite regulatory censure. The Aptus Group has not faced such lapses over the years, which highlights its sensitivity to such risks. Customer preferences are increasingly shifting towards digital banking, which provides an opportunity to reduce operating costs. The Group has been making the requisite investments to enhance its digital interface with its customers. While it contributes to promoting financial inclusion by lending to underserved segments, its lending practices remain prudent as reflected in the healthy asset quality numbers in this segment compared with its peers.

Liquidity position: Strong

The Group's asset-liability maturity (ALM) profile, as of December 2025, reflected positive cumulative mismatches across all buckets. As of December 2025, the company had cash & cash equivalents of Rs. 490.5 crore and undrawn sanctions of Rs. 1,387.0 crore. Scheduled debt repayments during Q4 FY2026-Q1 FY2027 aggregated Rs. 1,834.9 crore.

The funding profile is characterised by funding from banks (59% as of December 2025), followed by debentures (18%), NHB (11%), and securitisation (12%). Considering its robust growth plans, ICRA expects the Group to focus on long-tenor borrowings to keep asset-liability mismatches under control. The company's liquidity coverage ratio stood at 195% as of December 2025, well above the regulatory requirement.

Rating sensitivities

Positive factors – A significant improvement in the company's market position, while maintaining good asset quality and earnings, could positively impact the rating.

Negative factors – Pressure on the rating could arise in case of a continued increase in the managed gearing beyond 4.0 times or a deterioration in the asset quality indicators (90+ dpd above 2.5%), thereby impacting the earnings on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of Aptus and its wholly-owned subsidiary, Aptus Finance India Private Limited

About the company

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 Rs. 9-10 lakh. Its target geographies are the southern states, with a focus on rural and semi-urban areas. Aptus is primarily focussed on self-employed customers with limited or no documentary evidence of their income and limited access to funding from banks and larger HFCs. As of December 2025, the promoter – Mr. M Anandan & family – held a 23.9% stake in the company while the other promoter, WestBridge, exited the company in Q2 FY2026.

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. 3,591 crore as of December 2025.

Aptus (consolidated) reported a net profit of Rs. 751 crore on a total managed asset base of Rs. 11,412 crore in FY2025 compared with Rs. 612 crore and Rs. 9,092 crore, respectively, in FY2024. In 9M FY2026, the net profit stood at Rs. 682 crore on a total managed asset base of Rs. 13,025 crore.

Key financial indicators (consolidated)

Aptus	FY2024	FY2025	9M FY2026*
Total income	1,409	1,798	1,652
Profit after tax	612	751	682
Total managed assets	9,092	11,412	13,025
Return on managed assets	7.5%	7.3%	7.4%
Gearing (times)	1.4	1.6	1.7
Gross stage 3	1.1%	1.2%	1.6%
CRAR	NA	NA	NA

Source: Company, ICRA Research; Amount in crore; * Limited review

Key financial indicators (standalone)

Aptus Finance	FY2024	FY2025	9M FY2026
Total income	324	499	531
Profit after tax	130	176	191
Total managed assets	2,024	3,083	3,801
Return on managed assets	8.6%	6.9%	7.4%
Gearing (times)	2.9	3.4	3.4
Gross stage 3	1.0%	1.2%	1.9%
CRAR	28.5%	28.5%	26.7%

Source: Company, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Mar-31-2026	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan	Long term	950.00	[ICRA]AA (Stable)	Aug-13-2025	[ICRA]AA (Stable)	Aug 19, 2024	[ICRA] AA- (Stable)	Dec 06, 2023	[ICRA] AA- (Stable)	Dec 13, 2022	[ICRA]AA (Stable)
						-	-	Mar 31, 2024	[ICRA] AA- (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based term loan	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	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term fund-based term loan	Apr 2020	NA	Feb 2033	950.00	[ICRA]AA (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Aptus ownership	Consolidation approach
Aptus Value Housing Finance India Limited	-	Full consolidation
Aptus Finance India Private Limited	100%	Full consolidation

Source: Aptus' annual report FY2025

Note: ICRA has taken a consolidated view of the parent (Aptus) and its wholly-owned subsidiary while assigning the rating

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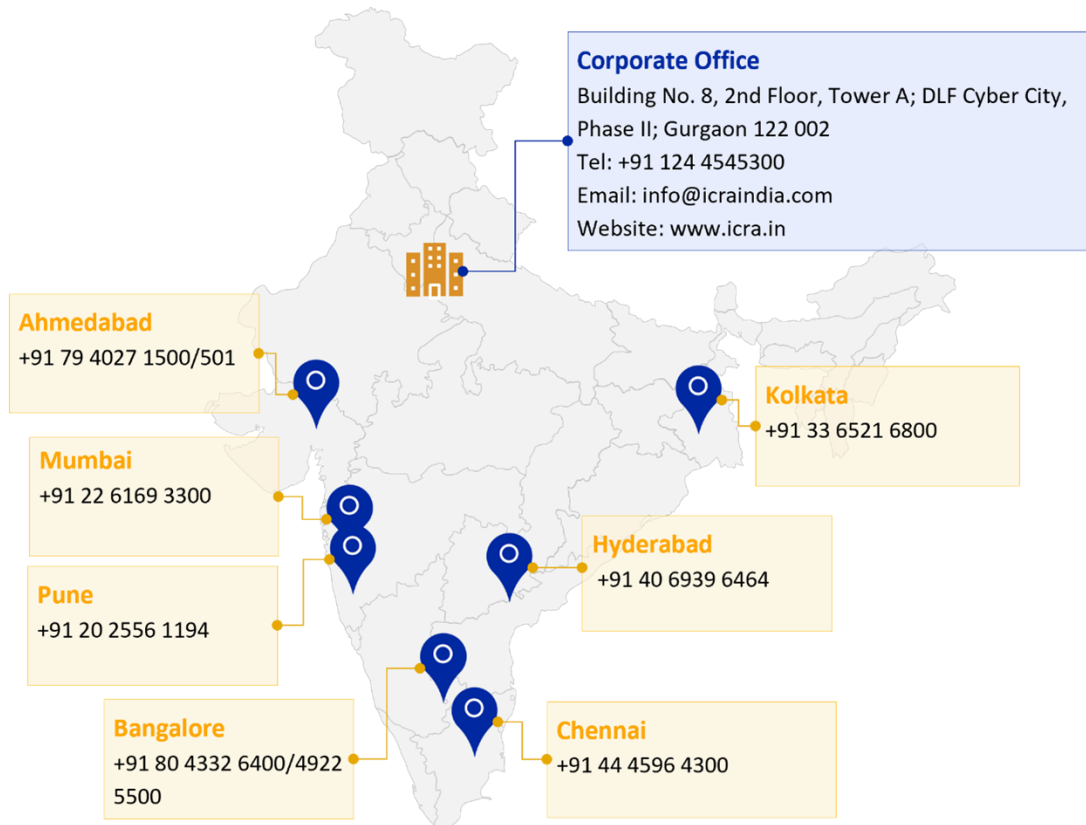
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Branches



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