

June 30, 2026

Aavas Financiers Limited: Long-term rating put on Watch with Developing Implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Bank lines	3,398.00	3,398.00	[ICRA]AA; put on Rating Watch with Developing Implications
Non-convertible debenture programme	800.00	800.00	[ICRA]AA; put on Rating Watch with Developing Implications
Commercial paper	250.00	250.00	[ICRA]A1+; outstanding
Total	4,448.00	4,448.00	

*Instrument details are provided in Annexure II

Rationale

Aavas vide its stock exchange filing dated June 21, 2026, intimated about the resignation of Mr. Ghanshyam Rawat (President and Chief Financial Officer) and Mr. Ashutosh Atre (President and Chief Risk Officer) from their respective positions, with effect from September 21, 2026. Further, the company also intimated about the appointment of Mr. Ghanshyam Gupta as the Interim Chief Financial Officer, Key Managerial Personnel (KMP) of the company, with effect from June 22, 2026 and the appointment of Mr. Punit Purushottam Agarwal as the Interim Chief Risk Officer, Senior Management Personnel (SMP) of the company for a period of one year, with effect from June 22, 2026.

Given the changes in the senior management team at Aavas over the past few months including exit of Chief Executive Officer (CEO) in April 2026, Chief Business Officer (CBO) in May 2026 and the changes in the current month as detailed above, ICRA has placed the ratings on watch with developing implications. ICRA will continue to closely monitor the impact of these developments on the business/ operations and fund raising by the company, at least over the near term and shall take appropriate actions as and when required.

ICRA notes that Aavas has a strong liquidity characterised by sizeable on-balance sheet liquidity in the form of cash and liquid investments of about Rs. 2,114 crore (13% of its on-balance sheet borrowings) as on March 31, 2026 and undrawn cash credit limits of Rs. 101crore and unavailed sanctions of Rs. 975 crore from banks as on March 31, 2026. As on March 31, 2026, Aavas' asset-liability management (ALM) profile reflected scheduled inflows (principal and interest) of Rs. 4,967 crore from performing advances during the next 12 months. This is sufficient compared to the total debt servicing burden (principal and interest) of about Rs. 3,956 crore over the one-year period till March 31, 2027.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Environmental and social risks: [Click here](#)

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	Standalone

About the company

Aavas is a Jaipur (Rajasthan) headquartered housing finance company, which primarily provides housing loans in rural and semi-urban areas. It is present in 14 states and 1 UT, with a network of 435 branches and AUM of Rs. 23,452 crore as on March 31, 2026.

Aavas was incorporated as a subsidiary of Au Financiers (India) Limited {now Au Small Finance Bank Limited (AuSFB)} in February 2011, and it formally began its operations in March 2012. In June 2016, AuSFB sold its stake in Aavas to private equity (PE) investors – Kedaara Capital and Partners Group – to meet the Reserve Bank of India’s (RBI) criteria for conversion to a small finance bank. Aavas launched an initial public offering (IPO) in FY2019 and its equity shares got listed on the stock exchanges on October 8, 2018. The total issue size was Rs. 1,734 crore, of which ~Rs. 360 crore was raised for business operations while the rest was utilised to pay off the existing shareholders. In August 2024, the erstwhile promoter group, i.e. Kedaara Capital and Partners Group, entered into share sale agreements (SSAs) to sell their entire stake to Aquilo House Pte. Ltd., which belongs to CVC Capital Partners Group (acquirer). Subsequently, through a public announcement dated August 10, 2024, the acquirer made an open offer for the acquisition of an additional stake of up to 26.00% from the public shareholders of Aavas. After the consummation of the SSAs and completion of the open offer, Aquilo House Pte. Ltd. gained control and was categorised as the new promoter of Aavas. As on March 31, 2026, Aavas’ shareholding was: CVC Capital Partners (48.94%), domestic institutional investors (DIIs; 22.13%), foreign institutional investors (FIIs; 16.74%), the management team/employees/board members and relatives (1.11%) and others (11.08%).

Aavas reported a profit after tax (PAT) of Rs. 655 crore in FY2026 on a managed asset base¹ of Rs. 26,171 crore as on March 31, 2026 compared with PAT of Rs. 574 crore in FY2025 on a managed asset base of Rs. 22,926 crore as on March 31, 2025. It had a net worth of Rs. 5,051 crore and CRAR of 44.6% as on March 31, 2026 (Rs. 4,361 crore and 44.5%, respectively, as on March 31, 2025). The gross and net stage 3 stood at 1.0% and 0.7%, respectively, as on March 31, 2026 (1.1% and 0.7%, respectively, as on March 31, 2025).

Key financial indicators

Aavas	FY2024	FY2025	FY2026
	Audited	Audited	Audited
Total income	2,020	2,358	2,685
PAT	491	574	655
Total managed assets	19,933	22,926	26,171
Return on average managed assets	2.7%	2.7%	2.7%
Managed gearing (times)	4.2	4.2	4.1
Gross stage 3	0.9%	1.1%	1.0%
CRAR	44.0%	44.5%	44.6%

Source: Aavas’ financial results, ICRA Research; Note: Amount in Rs. crore; All figures and ratios are as per ICRA’s calculations/adjustments

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

¹ Managed assets = Gross assets (including credit provisions on loans) + Off-book portfolio

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Jun 30, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Bank lines	Long Term	3,398.00	[ICRA]AA; Rating Watch with Developing Implications	Apr 07, 2025	[ICRA]AA (Stable)	Jun 25, 2024	[ICRA]AA (Stable)	Jan 08, 2024	[ICRA]AA (Stable)
				Jun 11, 2025	[ICRA]AA (Stable)	-	-	-	-
				Mar 13, 2026	[ICRA]AA (Positive)	-	-	-	-
Non-convertible debenture programme	Long Term	800.00	[ICRA]AA; Rating Watch with Developing Implications	Apr 07, 2025	[ICRA]AA (Stable)	Jun 25, 2024	[ICRA]AA (Stable)	Jan 08, 2024	[ICRA]AA (Stable)
				Jun 11, 2025	[ICRA]AA (Stable)	Jun 25, 2024	[ICRA]AA (Stable)	-	-
				Mar 13, 2026	[ICRA]AA (Positive)	-	-	-	-
Commercial Paper	Short Term	250.00	[ICRA]A1+	Apr 07, 2025	[ICRA]A1+	Jun 25, 2024	[ICRA]A1+	Jan 08, 2024	[ICRA]A1+
				Jun 11, 2025	[ICRA]A1+	-	-	-	-
				Mar 13, 2026	[ICRA]A1+	-	-	-	-

Source: ICRA Research

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 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 FSR other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial paper	Simple
Non-convertible debenture programme	Simple
Long term fund based – Bank lines	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 II: Instrument details[^]

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
INE216P07233	NCD	Jul-20-2023	Repo rate linked	Jul-20-2028	150.00	[ICRA]AA; Rating Watch with Developing Implications
INE216P07241	NCD	Oct-29-2024	6 months MIBOR OIS	Oct-29-2029	630.00	[ICRA]AA; Rating Watch with Developing Implications
NA	NCD*	NA	NA	NA	20.00	[ICRA]AA; Rating Watch with Developing Implications
NA	Cash credit	NA	NA	NA	5.00	[ICRA]AA; Rating Watch with Developing Implications
NA	NHB refinance	2015-2025	NA	NA	2,344	[ICRA]AA; Rating Watch with Developing Implications
NA	Long term fund based – Bank lines*	NA	NA	NA	1,049	[ICRA]AA; Rating Watch with Developing Implications
INE216P14098	Commercial paper	Jun-17-2025	NA	Jun-17-2026	200.00	[ICRA]A1+
NA	Commercial paper*	NA	NA	NA	50.00	[ICRA]A1+

Source: Aavas, ICRA Research; [^] As on February 28, 2026; * Proposed/yet to be placed

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

Annexure III: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Karthik Srinivasan
+91 22 6114 3444
karthiks@icraindia.com

A M Karthik
+91 44 4596 4308
a.karthik@icraindia.com

Sandeep Sharma
+91 22 6114 3419
sandeep.sharma@icraindia.com

Rajat Kher
+91 124 4545 833
rajat.kher@icraindia.com

Mishi Yadav
+91 124 4545 320
mishi.yadav@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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.

For more information, visit www.icra.in

ICRA Limited



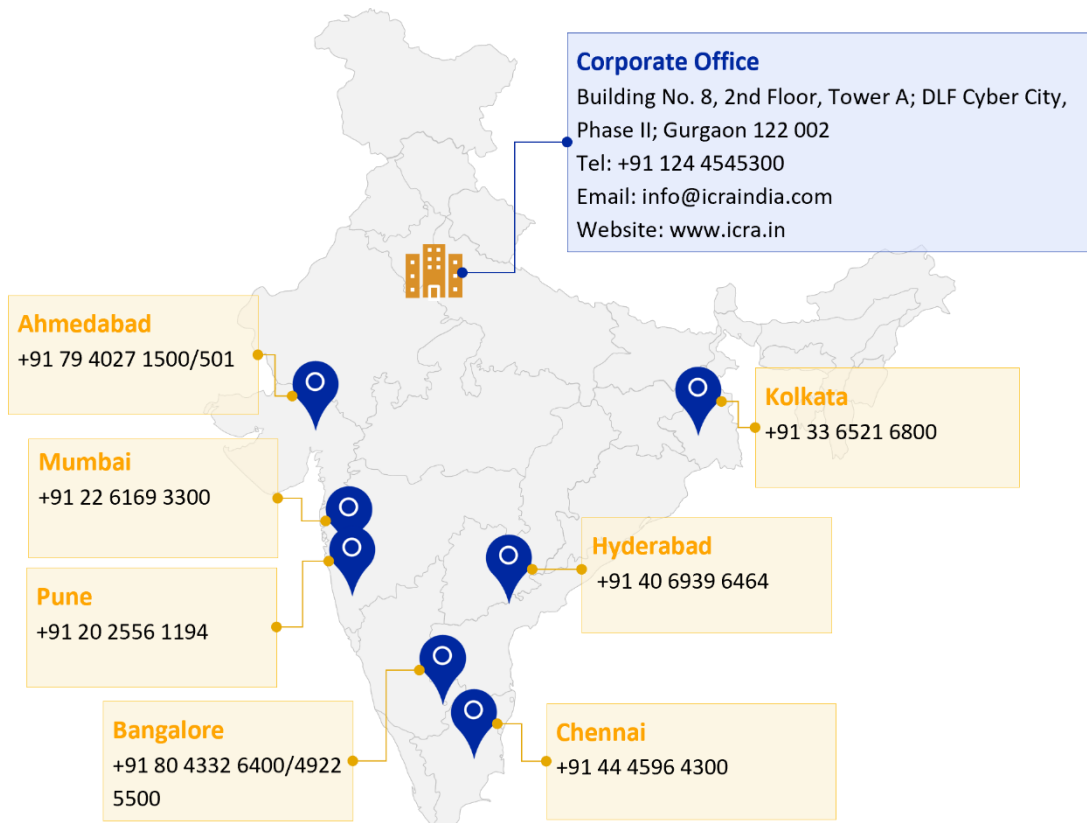
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi - 110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.