Altum Credo Home Finance Private Limited

July 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	700.00	CARE BBB+; Stable	Reaffirmed
Non-convertible debentures	20.00	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to bank facilities and non-convertible debentures (NCDs) of Altum Credo Home Finance Private Limited (ACHFPL) continues to reflect the company's healthy capitalisation, supported by periodic equity infusions from institutional and impact-focused investors. In Q1FY25, the company raised ₹228 crore in fresh capital, further strengthening its capital base and supporting business expansion. Rating also factors in the extensive experience of the promoter and senior management team, and ACHFPL's robust technology-enabled credit appraisal and collection systems, which enhance operational efficiency and risk control. ACHFPL has demonstrated significant growth in its scale of operations, with its loan portfolio expanding from ₹251 crore as on March 31, 2022 to ₹948 crore as on March 31, 2025 — representing a compounded annual growth rate (CAGR) of over 50%. The company's profitability continues to remain stable supported by growth. Even though the asset quality has witnessed slight moderation in FY25, majorly due to macro environment and seasoning impact, the company has been able to maintain stable asset quality compared to peers supported by effective underwriting and collection efforts.

Rating continues to be constrained by limited track record of the company, relatively low seasoning of portfolio due to high growth witnessed over the last years, small size of operations, and geographical concentration which improved in FY25 with the top three states contributing 56% of the assets under management (AUM) as on March 31, 2025 (PY: 61% as on March 31, 2024). CARE Ratings Limited (CareEdge Ratings) takes note of the company's focus on the target customer segment comprising borrowers in the economically weaker section (EWS) and low-income group (LIG), which is vulnerable to economic downturns. However, the secured nature of the loan book with low loan-to-value ratio (LTV) provides comfort.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Significant mobilisation of equity capital for further growth in business.
- Sustained growth in loan portfolio while maintaining the asset quality, profitability, comfortable capitalisation level on a sustained basis.
- Significant improvement in borrowing profile.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Deterioration in asset quality parameters with gross non-performing asset (GNPA) ratio above 3%.
- Deterioration in profitability parameters with return on total asset (ROTA) less than 2.5% on as sustained basis.
- Overall gearing exceeding 4x.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: **Standalone**

Outlook: Stable

The "Stable" outlook is on the expectation that ACHFPL will continue to grow its loan book with stable asset quality and relatively stable profitability considering its healthy capitalisation levels.

Detailed description of key rating drivers:

Key strengths

Adequate capitalisation supported by equity infusion from institutional and other impact investors

Since inception, the company has demonstrated its ability to raise capital at regular intervals. Till date, the company has successfully raised ₹446 crore from investors, including the most recent Series C round of ₹228 crore concluded in Q1FY25 (April 1 – June 30, 2024). As on March 31, 2025, the shareholding pattern on a fully diluted basis is as follows: P. S. Pai and family hold the largest stake at 33%, followed by institutional investors—including Aavishkar Bharat Fund, Amicus Capital, British International Investment Plc, Z3P Partners, and Oiko credit—with a collective holding of 45%. Promoters hold 19%, while the remaining 2% is held by other individual investors.

The company's overall gearing stood at 0.90x as on March 31, 2025 (PY: 1.98x), with total debt at ₹446 crore (PY: ₹503 crore). The capital adequacy ratio (CAR) improved significantly to 81.91% (Tier-I: 80.66%) as on March 31, 2025, compared to 48.40% (Tier-I: 47.80%) as on March 31, 2025. The company's tangible net worth (TNW) stood at ~₹493 crore (PY: ₹240 crore) supported by the equity infusion and internal accruals The company has expression of interest from British International Investment (BII) for equity investment of ₹170 crore with expected fund infusion in Q2 FY26. The company has consistently raised equity at regular intervals to support its growth and aims to scale up operations while maintaining gearing below 3x in the medium term.

Experienced promoters and management team

ACHFPL, co-promoted and founded by Mr. Vikrant Bhagwat, MD and CEO, who heads the Company's operations having 25+ years of experience in retail asset lending across geographies. He is supported by Sanjay Tiwari as a founding team member and Head - Strategy and Corporate Finance of the Company, who has more than 25 years of experience predominantly BFSI industry in areas of corporate finance, business planning and strategy, treasury management with rich experience in early-stage business roll out. The company's Assets Under Management (AUM) grew by 30% year-on-year, increasing from ₹728 crore as on March 31, 2024, to ₹948 crore as on March 31, 2025, while total disbursements stood at ₹320 crore during the year. The lending portfolio remains well-diversified, with home loans comprising refinance is 83% and loan against property 17% of total AUM. The company's focus is more towards self-employed customers forming 76% of the total AUM followed by salaried customers forming the rest.

Profitability supported by higher net interest margins

Net Interest Margin (NIM) improved to 9.70% in FY25 (PY:7.5%), driven by a stronger, higher-yielding portfolio—particularly in the self-construction segment, and the replacement of high-cost debt with lower-cost, long-term borrowings. Total operating expenses, as a percentage of average total assets, remained broadly stable, declining marginally from 6.89% in FY24 to 6.87% in FY25. Credit costs, measured as a percentage of average total assets, increased to 0.59% in FY25 from 0.34% in FY24 due to slight moderation in asset quality. Owing to these factors, the Return on Total Assets (ROTA) improved from 2.20% in FY24 to 3.52% in FY25. Going forward, the company's ability to sustain the profitability metrics with stable credit costs as the portfolio seasons, would be a key rating monitorable.

Improving resource profile

ACHFPL's resource profile comprises a diversified mix of term loans and NCDs from 14 different banks and non-banking finance companies (NBFCs). The company's borrowing strategy has seen a significant shift towards cost efficiency and long-term financial stability. As on March 31, 2025, the resource mix comprises term loans of 70%, NCD of 3% compared to term loans of 72% and NCD of 4%. With respect to lender-wise profile, bank borrowings consist of 55%, National Housing Bank (NHB) funding comprises 27%, and term loans from NBFCs comprises 15% of the total borrowing as on March 31, 2025 (March 31, 2024: bank borrowings - 44%, NHB-25%, NBFCs -28%). Improvement in the proportion of bank borrowings in FY25, indicates transition towards more stable and cost-effective funding sources. Going forward, the company's ability to further diversify its resource profile while raising funds at competitive rates would be a key monitorable.

Key weaknesses

Moderate track record with improving geographical concentration

ACHFPL started disbursing loans in FY18, after receiving license from NHB in June 2017 and first seed funding in July 2017. The company disbursed ₹320 crore in FY25, marginally lower than ₹328 crore in the previous year. The slow growth in disbursements during FY25 was primarily due to compliance with structural changes in regulatory norms, particularly the revised guidelines on loan disbursement recognition, which impacted business volumes in H1FY25. Additionally, moderate business volumes in H2 FY25 were maintained to comply with the monthly Principal Business Criteria (PBC), leading to further ring-fencing of the non-home loan business. The company's strategic focus on self-construction home loans, which constitute 65% of the total AUM, led to moderate growth during FY25. Despite the temporary slowdown, the company has achieved cumulative disbursements of ₹1,172 crore since inception. Business growth in FY25 was largely driven by expansion in the states of Andhra Pradesh, Telangana, and Rajasthan. With strategic intent to deepen presence in Tamil Nadu, Karnataka, and Maharashtra in FY26, disbursement momentum is expected to strengthen going forward.

ACHFPL's target customer segment is in outskirts of Tier II and Tier III cities and the company initially had presence in Maharashtra, Tamil Nadu and Karnataka, the company expanded into Rajasthan, Telangana and Andhra Pradesh in FY21, bringing its total presence to 6 states with 69 branches as on March 31, 2025. The geographical concentration has relatively decreased last year, however, remains moderate, with Maharashtra accounting for 18% (March 31,2024: 23%) of loan book and the top three states constituting 56% (March 31,2024: 61%) share of the loan book as on March 31, 2025.

Low seasoning of portfolio being in initial stages and moderate asset quality

The company's operations are eight years old with loan portfolio of ₹948 crore and cumulative disbursements of ₹1,172 crore since inception as on March 31, 2025. The loan book remains relatively less seasoned, as a significant portion of disbursements has occurred over the last three years. The average tenure of the loan book is around 12.6 years, indicating a long-term lending profile. ACHFPL's asset quality remains moderate, with Gross NPA and Net NPA at 1.48% and 0.96% as on March 31, 2025, respectively, compared to 0.55% and 0.35% as on March 31, 2024. The Net NPA to Net Worth ratio increased from 1.02% as on March 31, 2024, to 1.82% as on March 31, 2025. The rise in delinquencies was primarily due to stress in the Karnataka portfolio and overall portfolio seasoning. In response, the company has undertaken corrective measures in H2FY25, including tightened risk controls and strengthening credit quality norms. While asset quality remains manageable, NPA movement continues to be a key monitorable, especially considering the portfolio's relatively low seasoning.

Exposure to under-banked segment of borrowers

As on March 31, 2025, 89% of customers belong to EWS and LIG income segment and remaining 11% belong to middle income group (MIG) income segment. ACHFPL's customer base consists of salaried customers (24% of portfolio as on March 31, 2025), both formal and informal segment, and self-employed proprietors of small and medium enterprises (76% of portfolio as on March 31, 2025). However, the secured nature of the portfolio along with low loan to value ratio of 45% provides comfort. Going forward, maintaining good asset quality while increasing the scale of operations as this segment is highly susceptible to economic downturns, would be a key monitorable.

Liquidity: Adequate

As per the Asset Liability Management (ALM) statement as on March 31, 2025, ACHFPL's liquidity profile remains comfortable, with no cumulative mismatches across time buckets. This is supported by an equity infusion of ₹228 crore. Additionally, the company has a cash credit facility of ₹60 crore, providing a liquidity buffer equivalent to two months of cash flow obligations. The combination of undrawn sanctioned lines, steady monthly inflows, and an upcoming ₹170 crore equity infusion positions ACHFPL well to meet its obligations without liquidity strain. Per its liquidity policy, cumulative mismatches are monitored across all time buckets, with prudential limits approved by the Board/Management Committee, ensuring they do not exceed 15% of cash outflows under normal conditions.

Applicable criteria

Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Housing Finance Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Finance	Housing finance company

ACHFPL is a housing finance company registered with the NHB. Headquartered at Pune, the company currently has presence in Maharashtra, Tamil Nadu, Karnataka, Rajasthan, Andhra Pradesh, and Telangana, with 69 branches predominantly in Tier-II and Tier-III cities. The company is promoted by seasoned professionals with diverse experience in retail assets lending. ACHFPL received Housing Finance license from the NHB on June 01, 2017. The company's key business focus is to build a retail home loan asset book, largely across the LIG and EWS income segments, who are first-time home buyers and largely un/underserved by long-term finance. As on March 31, 2025, 89% of ACHFPL's customers belonged to the EWS and LIG income segments, while the remaining 11% were from the MIG segment. The customer base comprised 24% salaried individuals (from both formal and informal sectors) and 76% self-employed proprietors of small and medium enterprises.

Brief Financials (₹ crore)	March 31, 2023	March 31, 2024	March 31, 2025
Standalone	A	(Restated) A	UA
Total income	72	112	156
PAT	9	14	30
Interest coverage (times)	1.55	1.41	1.82
Total assets	550	750	953
Net NPA (%)	0.22	0.35	0.96
ROTA (%)	2.00	2.20	3.52

A: Audited UA: Unaudited; Note: these are latest available financial results

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non-convertible debentures	INE497W07011	07-Feb-2023	12.5	14-02-2028	20.00	CARE BBB+; Stable
Fund-based-Long Term		-	-	01-01-2035	700.00	CARE BBB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-Long Term	LT	700.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (27-Jun-24) 2)CARE BBB; Stable (03-Apr-24)	1)CARE BBB; Stable (28-Jul-23)	1)CARE BBB; Stable (07-Feb-23) 2)CARE BBB; Stable (01-Aug-22)
2	Debentures-Non-convertible debentures	LT	20.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (27-Jun-24) 2)CARE BBB; Stable (03-Apr-24)	1)CARE BBB; Stable (28-Jul-23)	1)CARE BBB; Stable (07-Feb-23)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non-Convertible Debentures	Simple
2	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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