Aptus Value Housing Finance India Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,100.00 (Enhanced from 1,950.00)	CARE AA; Stable	Upgraded from CARE AA-; Positive
Non-convertible debentures – II	65.00 (Reduced from 80.00)	CARE AA; Stable	Upgraded from CARE AA-; Positive
Non-convertible debentures – III	300.00	CARE AA; Stable	Upgraded from CARE AA-; Positive
Non-convertible debentures - IV	250.00	CARE AA; Stable	Upgraded from CARE AA-; Positive
Non-convertible debentures - V	350.00	CARE AA; Stable	Upgraded from CARE AA-; Positive
Non-convertible debentures – VI	100.00	CARE AA; Stable	Upgraded from CARE AA-; Positive
Non-convertible debentures – VII	300.00	CARE AA; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated approach of Aptus Value Housing Finance India Limited (Aptus) and Aptus Finance India Private Limited (AFIPL). Revision in ratings assigned to bank facilities and debt instruments of Aptus factor in consistent financial performance and improvement in scale of operations while maintaining healthy capitalisation levels and comfortable asset quality. The scale of operations improved with assets under management (AUM) growing from ₹5,180 crore as on March 31, 2022, to ₹10,865 crore as on March 31, 2025, witnessing a compound annual growth rate (CAGR) of 28%, supported by strong tangible net worth of ₹4,294 crore as on March 31, 2025. Gross non-performing asset (GNPA) and net NPA (NNPA) on a consolidated basis stood at 1.19% and 0.89%, respectively, as on March 31, 2025, against 1.07% and 0.80% as on March 31, 2024. However, overall softer delinquencies remained stable in FY25 with 30+ DPD of 5.91% as on March 31, 2025, against 5.41% as on March 31, 2024 (refers to April 01 to March 31).

Ratings continue to derive strength from the established track record of Aptus in affordable housing finance segment, healthy profitability supported by the product mix, healthy capital adequacy levels, well-managed in-house appraisal, origination and collection team, and good management information system (MIS).

However, ratings are constrained by moderate seasoning of the loan portfolio, geographical concentration of its portfolio, which has seen gradual improvement, moderately diversified resource profile, and inherent risks associated with its borrower profile mostly being self-employed in the informal segment.

Rating sensitivities: Factors likely to lead to rating actions

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

- Significant improvement in the scale of operations, while maintaining profitability and asset quality parameters at comfortable levels.
- Diversification in funding profile to support the growing scale of operations.

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

- Weakening of asset quality parameters leading to decline in profitability with return on total assets (ROTA) below 3% on a sustained basis.
- Deterioration in asset quality with NNPA over 2% on a sustained basis.

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

- Weakening of capital adequacy levels, with gearing above 3x on a sustained basis

Analytical approach: Consolidated, CareEdge Ratings has taken a consolidated approach of Aptus and its 100% owned subsidiary, Aptus Finance India Private Limited (AFIPL). Details of subsidiaries are listed under Annexure-6.

Outlook: Stable
The stable outlook reflects likely continuation of stable credit profile with comfortable capitalisation levels and healthy profitability levels and comfortable asset quality metrics.

Detailed description of key rating drivers:
Key strengths
Established track record of Aptus in affordable housing segment
Aptus Value Housing Finance India Limited was founded in 2010 by M Anandan, who currently serves as the company's executive chairman. With over four decades' experience in the financial services industry, Anandan has held different leadership roles in the Murugappa Group, including executive director and managing director of Cholamandalam Investment and Finance Company Limited from 1997 to 2006, and managing director of Cholamandalam MS General Insurance Company Limited from 2006 to 2008. He has also served as a director in several South India-based non-banking financial companies (NBFCs). From the inception of Aptus in 2010 until 2023, he held the position of managing director before transitioning to his current role. In the first quarter of FY24, the company witnessed a key leadership change with the appointment of P Balaji, formerly the executive director and chief financial officer, as the new managing director. The board of Aptus comprises nine directors, all of whom bring extensive experience in the financial services sector. As the company continues to grow and expand into new regions, strengthening leadership across key functional areas remains critical. Aptus has operated in its chosen product segment since inception and has built a track record of over a decade. CareEdge Ratings notes the company is actively reinforcing its middle management by appointing experienced professionals to oversee operational functions.

Well-managed in-house appraisal, origination and collection team and good MIS system
Aptus' core strength lies in its fully in-house team that manages all key functions, including business sourcing, recovery and collections, and technical and legal operations. The company operates on a hub-and-spoke model, where each hub houses technical and legal teams that support the branches under their jurisdiction. While sourcing and collections are handled locally, all other activities are centralised, including credit appraisal and monitoring. The customer selection process is rigorous, involving multiple layers of checks such as KYC compliance, risk assessment, personal discussions, business verification, analysis of bank statements, and references from existing customers. The technical team, comprising civil engineers, and the legal team, consisting of advocates, are responsible for verifying the quality of assets offered as collateral. Aptus leverages an end-to-end software platform that supports loan origination, loan management, delinquency tracking, accounting, and management information systems (MIS). As part of its collection process, customers receive automated SMS reminders before due dates each month. In cases of delayed payments, the collection team follows up with direct visits to recover dues. The company's appraisal and origination systems are well-equipped to assess the creditworthiness of borrowers effectively.
The company has implemented a mobile-first ERP system called Ziva, which streamlines the entire loan process from lead entry to application and real-time KYC validation. It enables simultaneous processing by credit, technical, and legal teams, significantly improving turnaround time for loan sanction or rejection. Post-sanction, the system supports digital mandate acceptance and loan disbursement upon collateral registration, with customers able to track disbursement details via the mobile app.

Healthy capital adequacy levels
Aptus has received equity infusions at regular intervals, which have supported the company in maintaining strong capital adequacy levels. In August 2021, the company launched its initial public offering (IPO), raising ₹500 crore, and was subsequently listed on August 24, 2021. As on March 31, 2025, the promoter group held a 52.98% stake in the company, with 29.07% owned by

WestBridge CrossOver Fund LLC and 23.91% held by the founder-promoter M Anandan and his immediate family. The company's capital adequacy ratio (CAR) and Tier-1 CAR remained robust at 71.29% and 71.06%, respectively, as on March 31, 2025, compared to 73.03% and 72.44% a year earlier. On a consolidated basis, tangible net worth stood at ₹4,294 crore, with a gearing ratio of 1.59x. CareEdge Ratings expects Aptus to maintain healthy capitalisation levels over the medium term. The current level of net worth and retained earnings is expected to support AUM growth over the next three to five years without the need for additional equity infusion, while keeping gearing at comfortable levels.

Growing scale of operations

Aptus' consolidated assets under management (AUM) grew at a CAGR of 28% over the four-year period from March 31, 2021, to March 31, 2025, reaching ₹10,865 crore as of March 31, 2025. The portfolio is composed of 60% housing loans and 40% non-housing loans. The portfolio mix is expected to remain same. The consolidated AUM grew by 25% in FY25, compared to 29% in the previous year. The company also expanded its branch network, increasing from 262 branches in FY24 to 300 in FY25. On a standalone basis, Aptus reported an AUM of ₹7,913 crore as on March 31, 2025, with a portfolio mix of 71% housing loans and 29% non-housing loans, while its subsidiary, Aptus Finance India Private Limited (AFIPL), recorded an AUM of ₹2,952 crore with a portfolio mix of loan against property and secured business loans. CareEdge Ratings expects the company to report consistent loan book growth, while maintaining healthy capitalisation in the medium term.

Healthy profitability indicators supported by a mix of housing and non-housing loans

Aptus' consolidated profitability indicators have consistently remained strong. In FY25, the company reported a profit after tax (PAT) of ₹751 crore on a total income of ₹1,798 crore, compared to a PAT of ₹612 crore on ₹1,409 crore in FY24. While the net interest margin (NIM) saw a slight decline from 11.54% in FY24 to 11.17% in FY25 due to increase in overall cost of borrowings, operating expenses as a percentage of total assets improved marginally to 2.51% in FY25 from 2.55% in the previous year, despite the expansion of its branch network owing to economies of scale. Pre-provision operating profit (PPOP) rose from ₹815 crore in FY24 to ₹1,003 crore in FY25. Credit cost remained stable at 0.28% in FY25, compared to 0.27% in FY24. Due to the slight reduction in NIM, return on total assets (ROTA) moderated to 7.44% in FY25 from 7.59% in FY24. The SME and Non-Housing loan business of NBFC subsidiary, contributes to relatively higher yields, supporting stronger profitability ratios. CareEdge Ratings expects profitability to remain healthy in the medium term supported by healthy NIM and lower credit cost.

Good asset quality indicators

As on March 31, 2025, Aptus reported consolidated GNPA at 1.19%, slightly up from 1.07% in the previous year, while net NPA (NNPA) stood at 0.89%, compared to 0.80% a year earlier. On a standalone basis, Aptus Value Housing Finance India Limited (AVHFIL) recorded a GNPA of 1.17% and NNPA of 0.87%, against 1.09% and 0.81%, respectively, in the previous year. The company has consistently maintained healthy asset quality, supported by its efficient collection mechanisms and a conservative credit policy. Aptus typically extends loans with a loan-to-value (LTV) ratio of up to 50%, offering a significant margin of safety in case of delinquencies. As on March 31, 2025, ~81% loan portfolio had an LTV below 50%. Delinquencies in the softer buckets remained stable as on March 31,2025, with 30+ DPD at 5.91%, compared to 5.41%, as on March 31, 2024. Although the company has so far demonstrated strong ability to recover its over-dues, maintaining asset quality performance as the company grows further will be critical.

Diversified resource profile

Aptus funding profile is diversified with borrowings from banks, national housing bank (NHB), securitisation and non-convertible debenture (NCDs) constituting 52%, 15%, 14%, and 19% respectively, as on March 31, 2025 (PY: 63%, 24%, 8%, and 5%, respectively). Borrowings from banks consist of large public sector (25%) and private sector banks (75%). In FY25, as envisaged, the company diversified its resource profile via capital market borrowings through NCDs from lenders such as mutual funds, development financial institutions (DFI)s which led to increase in the share of NCDs to 19% as on March 31,2025, compared to 8% as on March 31, 2024. As on March 31,2025, the weighted average cost of borrowings stood at 8.87%. As ~56% borrowings are floating with 30% linked to repo rates, the cost of funds is expected to reduce further, leading to better profitability.

Key weaknesses

Moderate portfolio seasoning

The company has consistently demonstrated its ability to expand its loan book while maintaining strong credit metrics. Sustaining this growth with stable asset quality will be a key area to monitor, especially considering 40% consolidated loan portfolio comprises non-housing loans. As on March 31, 2025, this includes quasi home loans (QHL), which account for 14% total loan book. These QHLs are loans extended for home construction but do not fully meet the National Housing Bank (NHB) guidelines for classification as housing loans. Meanwhile, the non-housing loan portfolio of the company's subsidiary, Aptus Finance India Private Limited (AFIPL), primarily consists of small business loans (SME) and loans against property (LAP), secured by mortgage. Aptus' overall loan portfolio is moderately seasoned, with the majority loans originated over the last five to six years, compared to the typical loan tenure of five to fifteen years.

Geographical concentration of loan portfolio which has seen gradual improvement

As on March 31, 2025, Aptus operated 300 branches across Tamil Nadu, Karnataka, Telangana, Andhra Pradesh, Maharashtra, Odisha, and the Union Territory of Puducherry. In FY25, Andhra Pradesh emerged as the state with the highest exposure, accounting for ~42.31% of the company's AUM, surpassing Tamil Nadu, which stood at 33.35%. The top three states collectively contributed 92% of the total AUM, a concentration level unchanged from the previous year. Although Aptus expanded into Maharashtra in FY24, these newer geographies have yet to contribute significantly to the overall AUM. CareEdge Ratings expects the company to maintain its strategic focus on Tamil Nadu, Andhra Pradesh, Telangana, and Karnataka in the medium term, while gradually expanding its footprint in Odisha and Maharashtra. As Aptus continues to grow and open new branches, its ability to manage the increasing scale of operations and maintain operational efficiency will be critical.

Exposure to the underbanked segment of borrowers

Aptus primarily caters housing finance needs of self-employed individuals in the informal low- and middle-income segments—customers who are typically underserved by the traditional banking sector. This borrower segment is particularly vulnerable to economic downturns, making the maintenance of asset quality a key sensitivity as the company scales its operations. However, Aptus is equipped to manage credit risk effectively, supported by its access to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), which enables the company to initiate and execute efficient recovery processes in case of delinquencies.

Liquidity: Adequate

Aptus' liquidity profile remained adequate with no negative cumulative mismatch in time buckets up to one year per the asset-liability maturity (ALM) as on March 31, 2025. The company has inflow from advances (including interest) of ₹2,518 crore up to next one year against which it has debt repayment obligations (including interest) of ₹1,683 crore up to the next year as on March 31,2025. The company maintained liquidity of ₹266 crore as on March 31, 2025, in the form of unencumbered cash and bank balances which is sufficient for two months debt repayment. Additionally, The company also had ₹53 crore as investment in Gsec on the same date. Considering cash balances, liquid investments, and monthly repayments on the loan portfolio, liquidity remains adequate for Aptus.

Environment, social, and governance (ESG) risks

The company is a housing finance company and key waste products are primarily paper and e-waste. The company's employees are trained to segregate recyclable and non-recyclable waste with an aim to reduce non-recyclable waste. The company also educates its employees about ways to conserve water. For its customers, the company has a dedicated customer care department, which handles queries/complaints of customers through telephone/e-mail. For governance, the company has a framework and policy on cyber security and risks related to data privacy. The company's IT strategy committee oversees the policy on cyber security and risks related to data privacy. The company has established a mechanism for all stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct and ethics.

Applicable criteria

Consolidation
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

Aptus Value Housing Finance India Limited (Aptus) is a housing finance company incorporated on December 11, 2009. As on March 31, 2025, the promoters—M Anandan and his immediate relatives—held a 23.91% stake in the company, while WestBridge Crossover Fund LLC held 29.07%. Aptus became a publicly listed company on August 24, 2021. Its wholly owned subsidiary, Aptus Finance India Private Limited (AFIPL), operates as a non-banking financial company (NBFC). Both entities share the same customer base, management team, and brand identity. While AVHFIL focuses on housing finance, AFIPL handles non-housing loans, specifically small and medium enterprise (SME) loans and loans against property (LAP).

Aptus primarily serves self-employed individuals from the informal sector, targeting low- and middle-income customers in semi-urban and rural areas. The non-housing loan portfolio includes SME and LAP loans, particularly for construction and property purchase (C&P). As on March 31, 2025, the consolidated AUM stood at ₹10,865 crore, with 60% comprising housing loans and the remaining 40% in non-housing segments. The internal rate of return (IRR) for housing loans typically ranges between 13% and 15.50%, while non-housing loans can yield up to 22%. The company generally offers housing loans in the ₹5–₹20 lakh range. Aptus is recognised as one of the early private sector entrants in South India's affordable housing finance space.

Brief Financials (₹ crore) (Consolidated)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total Income	1,134	1,409	1,798
PAT	503	612	751
Interest coverage (times)	3.36	3.04	2.80
Total Assets	7,156	8,978	11,220
Net NPA (%)	0.86	0.80	0.89
ROTA (%)	7.85	7.59	7.44

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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 - II	INE852O07113	23-06-2023	8.75%	23-06-2028	65.00	CARE AA; Stable
Debentures-Non-convertible debentures – III	INE852O07139	19-09-2024	8.75%	19-09-2029	300.00	CARE AA; Stable
Debentures-Non-convertible debentures - IV	INE852O07147	30-12-2024	8.75%	30-12-2029	250.00	CARE AA; Stable
Debentures-Non-convertible debentures – V	INE852O07154	11-03-2025	8.75%	11-03-2030	200.00	CARE AA; Stable
	INE852O07162	02-04-2025	8.75%	02-04-2030	150.00	CARE AA; Stable
Debentures-Non-convertible debentures – VI	INE852O07170	23-05-2025	8.75%	23-05-2030	100.00	CARE AA; Stable
Debentures-Non-convertible debentures – VII	Proposed	-	-	-	300.00	CARE AA; Stable
Fund-based - LT-Term Loan	-	-	-	February 2034	2058.75	CARE AA; Stable
Fund-based - LT-Working Capital Limits	-	-	-	-	30.00	CARE AA; Stable
Non-fund-based - LT-Bank Guarantee	-	-	-	-	11.25	CARE AA; 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 - LT-Term Loan	LT	2058.75	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25) 2)CARE AA-; Positive (16-Dec-24) 3)CARE AA-; Positive (13-Sep-24) 4)CARE AA-; Positive (05-Jul-24) 5)CARE AA-; Stable (03-Apr-24)	1)CARE AA-; Stable (05-Jan-24) 2)CARE AA-; Stable (27-Jun-23)	1)CARE AA-; Stable (30-Jun-22)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (27-Jun-23)	1)CARE AA-; Stable (30-Jun-22)
3	Debentures-Non Convertible Debentures	LT	65.00	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25) 2)CARE AA-; Positive (16-Dec-24)	1)CARE AA-; Stable (05-Jan-24) 2)CARE AA-; Stable (27-Jun-23)	-

						3)CARE AA-; Positive (13-Sep-24) 4)CARE AA-; Positive (05-Jul-24) 5)CARE AA-; Stable (03-Apr-24)		
4	Non-fund-based - LT-Bank Guarantee	LT	11.25	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25) 2)CARE AA-; Positive (16-Dec-24) 3)CARE AA-; Positive (13-Sep-24) 4)CARE AA-; Positive (05-Jul-24) 5)CARE AA-; Stable (03-Apr-24)	1)CARE AA-; Stable (05-Jan-24) 2)CARE AA-; Stable (27-Jun-23)	-
5	Fund-based - LT-Working Capital Limits	LT	30.00	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25) 2)CARE AA-; Positive	1)CARE AA-; Stable (05-Jan-24) 2)CARE AA-; Stable (27-Jun-23)	-

						(16-Dec-24) 3)CARE AA-; Positive (13-Sep-24) 4)CARE AA-; Positive (05-Jul-24) 5)CARE AA-; Stable (03-Apr-24)		
6	Debentures-Non Convertible Debentures	LT	300.00	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25) 2)CARE AA-; Positive (16-Dec-24) 3)CARE AA-; Positive (13-Sep-24)	-	-
7	Debentures-Non Convertible Debentures	LT	250.00	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25) 2)CARE AA-; Positive (16-Dec-24)	-	-
8	Debentures-Non Convertible Debentures	LT	350.00	CARE AA; Stable	1)CARE AA-; Positive (20-May-25)	1)CARE AA-; Positive (07-Mar-25)	-	-
9	Debentures-Non Convertible Debentures	LT	100.00	CARE AA; Stable	1)CARE AA-; Positive	-	-	-

					(20-May-25)			
10	Debentures-Non Convertible Debentures	LT	300.00	CARE AA; Stable				

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 - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Limits	Simple
4	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Aptus Finance India Private Limited	Full	Wholly owned subsidiary

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.

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About us:

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