Wonder Home Finance Limited

September 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,000.00	CARE A; Stable	Reaffirmed
Non-Convertible Debentures	57.00	CARE A; Stable	Reaffirmed
Non-Convertible Debentures	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at ratings, CARE Ratings Limited (CareEdge Ratings) has analysed standalone financials of Wonder Home Finance Limited (WHFL) factoring in linkages with promoters of Wonder Cement group.

The rating factors in higher than projected equity infusion of ~₹450 crore in WHFL by promoters in FY25 which has strengthened capital structure besides supporting robust portfolio growth; its assets under management (AUM) base grew to ₹2,389.50 crore as on March 31, 2025 (PY: ₹1,494.09 crore) and further to ₹2,524.06 crore as on June 30, 2025.

The rating reaffirmation continues to derive strength from the promoter's strong support to WHFL, which is ~91% held by Patni family and articulation of support through need-based growth capital besides maintaining majority shareholding in the company. Apart from capital support, WHFL enjoys financial flexibility driven by resourceful promoters with common shareholding, sharing common logo and brand name with the group's flagship company, Wonder Cement Limited (WCL; rated 'CARE AA; Stable / CARE A1+').

However, these strengths are offset by limited seasoning of the loan portfolio owing to the nascent stage of operations amid long tenure product, modest experience of Wonder Group in the housing finance business, moderate profitability metrics, and regionally concentrated operations of the company. While CareEdge Ratings takes cognisance of significant uptick in business amid healthy asset quality and diversification, the company's ability to demonstrate sustained improvement in profitability and franchise growth shall be key monitorable going forward. Going forward, as operational efficiencies take effect, CareEdge Ratings expects WHFL's profitability metrics to improve in the medium-term.

CareEdge Ratings has withdrawn the rating on non-convertible debentures (NCD) of ₹25.00 crore considering full redemption of the instrument, as confirmed by the trustee.

Rating sensitivities: Factors likely to lead to rating actions

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

- Healthy business growth along with improvement in profitability with return on total assets (ROTA) remaining above 2% on a sustained basis.
- Capital raising ability for maintenance of growth momentum.

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

- Material dilution in the ownership by, expected support from, and strategic importance to the Wonder Group.
- Deterioration in the credit profile of Wonder Group.
- Material decline in the asset quality, with gross non-performing assets (GNPA) exceeding 2.00% on a sustained basis.
- Weakening capital structure with the overall gearing remaining above 3.5x on a sustained basis.

Analytical approach:

Standalone and factoring in linkages with the promoters of Wonder Cement Group. CareEdge Ratings has analysed WHFL on a standalone basis while factoring in the resourceful promoters and expectations of continued capital support. In addition to capital

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

support and management oversight, WHFL shares common brand name and logo with the group's flagship company, WCL (rated 'CARE AA; Stable/ CARE A1+').

Outlook: Stable

The outlook is "Stable" considering expectation of continued need-based capital support from promoters to drive the business growth, while keeping the asset quality under control.

Detailed description of key rating drivers:

Key strengths

Strong parentage, shared brand name, and continued capital support from parent

WHFL is a part of Rajasthan based Wonder group, which is promoted by the Patni family. As on March 31, 2025, promoters held a 91% (PY: 89%) stake in the company in their individual capacity and through family trusts. By virtue of its shareholding, WHFL benefits from its promoters' strong support as demonstrated by capital infusion at regular intervals and articulation of the promoter's intent to continue maintaining majority shareholding in the company. Apart from the capital support, WHFL enjoys financial flexibility driven by resourceful promoters, common shareholding, logo and brand name sharing with the group's flagship company, WCL.

The company is an integral part of the Wonder group's business, considering that WHFL is the group's sole venture in the financial services domain. Since inception, promoters have infused equity to the tune of ~₹800 crore, with the recent infusion to the tune of ~₹450 crore in FY25 (₹100 crore in FY24).

CareEdge Ratings expects the promoters to continue maintaining majority shareholding in the company and provide need-based capital support to WHFL.

Experienced management and board

Ashok Patni, Chairman and Founder of the Wonder group has over three decades' experience in the marble industry and over ten years' experience in the cement industry. The Board comprises three Directors from Patni family, two Non-Executive Directors, and five Independent Directors. The family has experience in industries/sectors which are ancillary to housing finance industry.

While WHFL is promoted by Patni Family, the company is run by professional management. The company is managed by Sanjay Singh Rajawat, who is the Chief Executive Officer (CEO) of WHFL and has nearly three decades' experience in the banking sector. He is assisted by a professional leadership team with relevant experience across business verticals.

Healthy asset quality

Given the significant uptick in portfolio growth recently, WHFL's asset quality continues to be healthy as reflected by Gross Stage 3 (GS3) and Net Stage 3 (NS3) of 0.19% (PY: 0.17%) and 0.12% (PY: 0.12%), respectively, as on March 31, 2025. In Q1FY26, while delinquencies inched higher led by GS3 and NS3 of 0.39% and 0.24% respectively, this remains comfortable. In sync with asset quality moderation witnessed in industry, the company's on time portfolio declined to 96.94% as on June 30, 2025 compared to 97.33% as on March 31, 2025 led by higher delinquencies in the housing loan book. While the borrower class in affordable segment is relatively vulnerable, WHFL's granular portfolio coupled with NS3 to tangible networth (TNW) of 0.63% as on June 30, 2025, provides comfort.

Given the company's expansion in newer geographies and longer tenure of lending, asset quality metrics in this segment will continue to be a key monitorable.

Comfortable capital structure supported by the group's overall financial flexibility

The company's capital structure remained comfortable owing to regular capital infusions by the promoter group. Since inception, promoters infused equity of ~₹800 crore, allowing the company to operate with lower external funding in the growth phase. In FY25, the promoter group infused ~₹450 crore to support the company's growth plans and improve scale thereby improving capital structure. The company's TNW grew to ₹841.97 crore as on March 31, 2025, while its overall gearing reduced to 1.76x as on March 31, 2025, from 3.11x as on March 31, 2024.

Benefiting from the promoter association and financial flexibility, the company has been able to raise debt at competitive rates from private and public sector banks. As on March 31, 2025, the company has established relationships with over 25 lenders. Of the total borrowings as on March 31, 2025, 51.40% were from public sector banks, 24.42% from private banks, 14.01% from NHB, 3.83% from financial institutions (NBFCs), 3.73% in the form of securitisation, and 2.57% in the form of unsecured NCDs from promoter. The average cost of borrowings for Q1FY26 stood at 9.05%. The company started tapping securitisation route for assigning its loan against property (LAP) book to diversify its liability profile.

CareEdge Ratings expects gearing levels to remain below 3.5x on a steady-state basis, in line with the growth plans of the company.

Key weaknesses

Moderate scale of operations and low portfolio seasoning

WHFL commenced lending operations in 2018 as a non-deposit-accepting housing finance company (HFC). The company's AUM increased from ₹472.23 crore as on FY22 to ₹2,389.50 crore as on FY25 at a 3-year compounded annual growth rate (CAGR) of 72% driven by an improving disbursement momentum. Majority of company's portfolio witnessed a healthy growth FY21 onwards, and hence, the seasoning of the entire book stands limited. The disbursements have gained traction in the last few fiscals with ~80% of the AUM having less than 2-year track record since origination. As a result, its asset quality performance through different economic cycles and geographies is yet to be tested and the portfolio quality remains to be seen.

Moderate profitability metrics

The company's disbursement momentum remained healthy with ₹1,210 crore disbursed in FY25 (₹834 crore in FY24; ₹492 crore in FY23). However, the interest margin slightly compressed in FY25 given higher gearing levels in much of FY25. The company's gearing levels reduced post equity infusion in March 2025. Consequently, the net interest margin (NIM) for FY25 stood at 4.86% (PY: 5.25%). The company added 25 new branches in FY25 (PY: 32 branches added), and the employee headcount increased from 1,492 in FY24 to 1,987 in FY25, driving the opex costs. The opex as a percentage of average total assets (ATA) in FY25, while reducing slightly, remained high in absolute terms at 5.59% (PY: 5.79%). With operating leverage yet to kick in, the ROTA remained moderate at 1.15% in FY25 (PY: 1.05%). Going forward, as the company achieves scale, the opex is expected to reduce gradually. The company continued to securitise its LAP book through direct assignments in FY25, benefiting from an upfront gain of ₹21.81 crore (PY: ₹9.64 crore) which supported earnings profile. Considering the off-balance sheet book (increasing to 10% of AUM from 5% in previous year), the return on managed assets (RoMA) for FY25 stood at 1.03% (PY: 1.03%).

Sole financial services entity of Wonder Group promoters

The Wonder Cement group has no prior experience in the retail lending segment. Housing finance is an altogether different asset class compared to conventional financing and requires a thorough understanding and experience in this domain. As on March 31, 2025, the company's product offering includes affordable housing loans (74% AUM) and LAP (26% AUM). In the LAP segment, ~6-7% are top-up loans provided to existing and port-in housing loan borrowers. The company's customer base consisting of self-employed individuals (63% AUM as on March 31, 2025), presents a higher credit risk due to potential income volatility. CareEdge Ratings opines, going forward, promoters' ability to successfully establish their presence in the housing finance business shall be critical.

Regionally concentrated operations

WHFL commenced its operations from Rajasthan, with its target to stabilise itself in the Rajasthan market leveraging the group's established presence in the geography. As a result, the company's portfolio remains concentrated in Rajasthan. However, to enhance its PAN-India presence, the company has been expanding into newer geographies/locations. Consequently, portfolio concentration in Rajasthan continued to decline and stood at 44% of AUM as on March 31, 2025, from 52% as on March 31, 2024 (66% as on March 31, 2023). WHFL's ability to successfully expand its operations across geographies while maintaining its asset quality will remain a key monitorable.

Liquidity: Adequate

Per the asset liability management (ALM) dated March 31, 2025, there are no negative cumulative mismatches in any of the time buckets. As on March 31, 2025, for the next one year, the company had debt obligations of ₹192 crore against inflows from advances of ₹238 crore, available unencumbered liquidity of ~₹294 crore, and undrawn lines of ₹288 crore. The company has a policy of maintaining three months liquidity buffer for disbursements in the form of cash and mutual funds. The current month collection efficiency for six months ending March 31, 2025, stood at an average of 97.5% indicating sufficient cashflow from operations.

While the company has no liquidity lines from other group companies, the company benefits from financial flexibility arising from its association with resourceful promoters.

Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades.

Assumptions/Covenants
Not applicable

Environment, social, and governance (ESG) risks
Not applicable

Applicable criteria
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios - Financial Sector
Housing Finance Companies
Notching by Factoring linkages in Ratings
Withdrawal policy

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial Services	Financial Services	Finance	Housing Finance Company

WHFL is a Jaipur-based (Rajasthan) HFC incorporated on November 11, 2017, and promoted by Ashok Patni and his family. WHFL is a part of R.K. Marble group of companies, which comprise R. K. Marble Private Limited (RKMPL: marble mining and processing company) and WCL (Cement manufacturing company; rated 'CARE AA; Stable / CARE A1+'). The company caters to affordable housing segment where its target customers comprise diverse income background such as salaried self-employed professionals (SEP) and self-employed non-professionals (SENP).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY2026 (UA)
Total operating income	179.95	277.12	90.44
PAT	14.35	23.40	12.36
Interest coverage (times)	NM	NM	NM
Total Assets	1,702.52	2,552.20	2,610.90
Net Stage 3 (%)	0.12*	0.12	0.24
ROTA (%)	1.05	1.10	2.26

A: Audited UA: Unaudited; NM: Not meaningful; Note: 'these are latest available financial results'
*Reinstated in FY2025 from 0.08%, considering repossessed assets in gross stage 3 per latest annual financial statements
ROTA for Q1 is annualised

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	INE02EM08017	21-Feb-2021	9.00%	30-Jun-2029	57.00	CARE A; Stable
Debentures-Non-convertible debentures	INE02EM07019	31-Jul-2021	9.90%	31-Aug-2027	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	-	51.50	CARE A; Stable
Fund-based - LT-Cash Credit – Proposed	-	-	-	-	9.00	CARE A; Stable
Fund-based - LT-Term Loan	-	-	-	01-Apr-2034	1,478.08	CARE A; Stable
Fund-based - LT-Term Loan - Proposed	-	-	-	-	461.42	CARE A; Stable

LT: Long term

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	Term Loan-Long Term	LT	307.58	CARE A; Stable	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
2	Fund-based - LT-Term Loan	LT	69.92	CARE A; Stable	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
3	Fund-based - LT-Term Loan	LT	1550.68	CARE A; Stable	-	1)CARE A; Stable	1)CARE A; Stable	1)CARE A-; Stable

						(03-Sep-24)	(06-Oct-23) 2)CARE A; Stable (09-Aug-23)	(22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
4	Fund-based - LT-Cash Credit	LT	50.00	CARE A; Stable	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
5	Debentures-Non-convertible debentures	LT	57.00	CARE A; Stable	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
6	Term Loan-Long Term	LT	11.32	CARE A; Stable	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
7	Fund-based - LT-Cash Credit	LT	10.50	CARE A; Stable	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)
8	Debentures-Non-convertible debentures	LT	-	-	-	1)CARE A; Stable (03-Sep-24)	1)CARE A; Stable (06-Oct-23) 2)CARE A; Stable (09-Aug-23)	1)CARE A-; Stable (22-Nov-22) 2)CARE A-; Stable (05-Jul-22)

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-Cash Credit	Simple
3	Fund-based - LT-Term Loan	Simple
4	Term Loan-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.

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About us:
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