Ummeed Housing Finance Private Limited (Revised)

January 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,383.00 (Enhanced from 1,133.00)	CARE A; Stable	Reaffirmed
Non-convertible debentures	250.00	CARE A; Stable	Reaffirmed
Non-convertible debentures	33.00	CARE A; Stable	Reaffirmed
Non-convertible debentures	20.60	CARE A; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings to the long-term bank facilities and non-convertible debentures (NCDs) of Ummeed Housing Finance Private Limited (Ummeed) reflects its strong capital position, adequate profitability and healthy asset quality. The rating also favourably factors in Ummeed's adequate liquidity and diversified funding base.

However, ratings are constrained by its limited portfolio seasoning, given Ummeed's relatively short operating history and rapid growth. The borrower segment served by the company is economically weaker and remains vulnerable to income shocks. Geographical concentration risk remains high, with Rajasthan contributing ~48% to the total assets under management (AUM) as on September 30, 2025, despite expansion into other states.

Rating sensitivities: Factors likely to lead to rating actions

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

- Sizeable increase in scale of operations while maintaining gross non-performing assets (GNPA) ratio below 1.5% and return on total assets (RoTA) above 3% on a sustained basis.
- Sizeable geographical diversification of the loan portfolio.

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

- Deteriorating asset quality profile, leading to an increase in credit costs and RoTA, reducing to lower than 1.5%.
- Overall gearing exceeding 3.5x, leading to lower operational profitability.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings expects the growth momentum to continue supported by timely capital raise. While its asset quality is expected to moderate as the portfolio seasons, which expected to remain within adequate level.

Detailed description of key rating drivers:

Key strengths

Comfortable capitalisation supported by capital raise

Promoted by Ashutosh Sharma (Founder and Managing Director), Ummeed is supported by strong private equity (PE) investors, Morgan Stanley, Norwest Venture Partners (Norwest), Thyme Private Limited (Thyme), CX Alternative Investment Fund, Mirae Asset Late-Stage Opportunities Fund (Mirae Asset), and A91 Emerging Fund II LLP (A91), who provide regular support through capital infusion and board representation. With the latest infusion of ₹200 crore in FY25, Ummeed's tangible net worth (TNW) increased to ₹899 crore as on March 31, 2025, up by 40% y-o-y and further to ₹921 crore as on September 30, 2025. With the

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

growth in scale, its gearing increased to 1.43x as on September 30, 2025, from 1.28x as on March 31, 2025, in line with balance sheet growth, while remaining comfortable. The capital adequacy ratio remained strong at 66.17% as on September 30, 205 (Tier I CAR at 65.55%), providing sufficient capital buffer to support growth and absorb potential asset quality pressures.

Healthy profitability metrics

Ummeed has maintained healthy profitability over the years, supported by low gearing, consistent AUM growth and stable asset quality. In FY25, it reported profit after tax (PAT) of ₹60 crore, translating into RoTA of 3.2% and return on net worth (RoNW) of 7.7% against ₹53 crore, 3.91% and 9.33% respectively in FY24. For H1FY26, its PAT stood at ₹18.88 crore with RoTA of 1.72% and RoNW of 4.15%. Slight moderation in its returns in FY25 and H1FY26 was largely due to lower other income (including direct assignment [DA] income branch expansion, technology investments and higher employee costs. With expected increase in DA transactions in H2FY26, its overall profitability for the year is expected to remain healthy.

Diversified lender profile

Ummeed has a diversified funding profile with resources raised from sources, such as private and public sector banks, non-banking financial companies (NBFCs), extra commercial borrowings (ECBs), financial institutions (FIs), and capital market. Over the years, banks have been Ummeed's main source of borrowing, and their share in the overall borrowing has been increasing with 59% as on September 30, 2025, followed by NHB (10%), NBFCs (7%), ECBs (7%), and others. Its ability to raise required debt funding at competitive pricing will be key for its profitability. CareEdge Ratings notes that the entity has received sanction of ₹ 150 crore from National Housing Bank (NHB) in June 2025, which shall increase share of NHB funding in the near term and help it maintain required blended cost.

Key Weaknesses

Moderate Seasoning with low vintage

Having commenced its operations in 2016, Ummeed has operational track record of eight years. Its product offering includes housing loan which constitute ~62% of its AUM as on March 31, 2025, and has a behavioural tenure of 6-7 years. Hence, the portfolio seasons remains relatively low as the entity has been growing at a higher pace and has not seen many business cycles. While its asset quality metrics has remained comfortable so far, CareEdge Ratings expects the GNPA to increase as the book seasons, which is expected to remain within adequate level. A higher-than-expected weakening in its asset quality could affect its profitability and overall credit profile. As on September 30, 2025, it reported GNPA of 1.17% against 0.77% in March 2025; the rise was primarily considering portfolio seasoning and AUM growth.

Geographical concentration

As on September 30, 2025, Ummeed had presence in nine states and union territories (UTs) with top state, Rajasthan, accounting for 47.85% in its AUM (slightly lower than 49.21% as of March 31, 2025). This exposes the entity to risks associated with geographical concentration. While it has entered a few states (Uttarakhand, Punjab, Madhya Pradesh, Andhra Pradesh and Telangana) in the recent past, its operations are at nascent stages in these states. As its presence deepens and scale in these states expands, its geographical presence is expected to improve gradually.

Liquidity: Adequate

Per the asset liability management (ALM) statement as on September 30, 2025, there are no negative cumulative mismatches across any buckets. The company maintained adequate on-book liquidity in the form of cash and bank balance of ₹136 crore as on September 30, 2025. It has debt obligations of ₹ 119.09 crore due in the next six months (till March 2026) and has scheduled collections of ₹258.91 crore due in the same period.

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

Ummeed is a non-deposit accepting housing finance company registered with NHB Bank, incorporated in January 2016. The company caters to people with informal incomes, having limited access to organised finance. Ummeed provides finance through home loan for purchase/ construction/ extension/ renovation of house, loan against property (LAP) for personal use, business loan for working capital and other business needs, and small ticket business loan (STBL) for short-term loans for shopkeepers.

Brief Financials (₹ crore)	31-03-2024	31-03-2025	H1FY26
	A	A	UA
Total income	242.70	316.97	168.17
Profit After Tax (PAT)	52.73	59.33	18.88
Asset Under Management (AUM)	1,724.19	2,279.97	2,437.58
On-book gearing (x)	1.41	1.28	1.43
Gross non-performing assets (NPA) / gross stage 3 (%)	0.50%	0.77%	1.17%
Return on Managed Assets (ROMA) (%)	3.46%	2.79%	1.46%
Capital Adequacy Ratio (CAR) (%)	63.01%	69.89%	66.17%

A: Audited UA: Unaudited; 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	Proposed	-	-	-	1.00	CARE A; Stable
Debentures-Non Convertible Debentures	INE870W07068	01-Aug-2022	8.80%	01-Feb-2028	32.00	CARE A; Stable
Debentures-Non Convertible Debentures	INE870W07076	30-Dec-2022	8.90%	30-Dec-2027	20.60	CARE A; Stable
Debentures-Non Convertible Debentures	INE870W07084	11-08-2025	9.00%	11-08-2032	250.00	CARE A; Stable

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
Fund-based - LT-Term Loan		-	-	September 2029	1,383.00	CARE A; Stable

LT-Term Loan

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	1383.00	CARE A; Stable	1)CARE A; Stable (25-Jun-25)	1)CARE A; Stable (02-Jul-24) 2)CARE A; Stable (13-Jun-24)	1)CARE A-; Stable (04-Mar-24) 2)CARE A-; Stable (04-Dec-23)	1)CARE A-; Stable (21-Dec-22) 2)CARE A-; Stable (28-Nov-22) 3)CARE A-; Stable (21-Jul-22) 4)CARE A-; Stable (12-May-22)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (04-Dec-23)	1)CARE A-; Stable (21-Dec-22) 2)CARE A-; Stable (28-Nov-22) 3)CARE A-; Stable (21-Jul-22) 4)CARE A-; Stable

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
								(12-May-22)
3	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (13-Jun-24)	1)CARE A-; Stable (04-Mar-24) 2)CARE A-; Stable (04-Dec-23)	1)CARE A-; Stable (21-Dec-22) 2)CARE A-; Stable (28-Nov-22) 3)CARE A-; Stable (21-Jul-22) 4)CARE A-; Stable (12-May-22)
4	Debentures-Non Convertible Debentures	LT	33.00	CARE A; Stable	1)CARE A; Stable (25-Jun-25)	1)CARE A; Stable (02-Jul-24) 2)CARE A; Stable (13-Jun-24)	1)CARE A-; Stable (04-Mar-24) 2)CARE A-; Stable (04-Dec-23)	1)CARE A-; Stable (21-Dec-22) 2)CARE A-; Stable (28-Nov-22) 3)CARE A-; Stable (21-Jul-22)
5	Debentures-Non Convertible Debentures	LT	20.60	CARE A; Stable	1)CARE A; Stable (25-Jun-25)	1)CARE A; Stable (02-Jul-24) 2)CARE A; Stable (13-Jun-24)	1)CARE A-; Stable (04-Mar-24) 2)CARE A-; Stable (04-Dec-23)	1)CARE A-; Stable (21-Dec-22)
6	Debentures-Non Convertible Debentures	LT	250.00	CARE A; Stable	1)CARE A; Stable (25-Jun-25)	-	-	-

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	Debentures-Non Convertible Debentures	Complex
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CARE 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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Pradeep Kumar V Senior Director **CARE Ratings Limited** Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in	Priyesh Ruparelia Director **CARE Ratings Limited** Phone: 022-67543593 E-mail: Priyesh.ruparelia@careedge.in Sudam Shrikrushna Shingade Associate Director **CARE Ratings Limited** Phone: 022-67543453 E-mail: sudam.shingade@careedge.in Yashika Goyal Analyst **CARE Ratings Limited** E-mail: Yashika.goyal@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com