

Swarna Pragati Housing Microfinance Private Limited

February 20, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	20.00	CARE B; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had, vide its press release dated March 06, 2025, placed the rating(s) of Swarna Pragati Housing Microfinance Private Limited (SPHMPL) under the 'issuer non-cooperating' category, as the company failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SPHMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated February 03, 2026, February 04, 2026, and February 09, 2026. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders, and public at large) are hence requested to exercise caution while using the above rating(s).

The rating considers weakening credit profile driven by deteriorating financial performance in FY25, small scale of operations and exposure to the customer segment, which is highly susceptible to economic downturn. However, the rating favorably factors in SPHMPL's adequate capitalisation.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers

At the time of the last rating on March 06, 2025, the following were the key rating strengths and weaknesses (updated for the limited information available from company's Annual Report FY25).

Key weaknesses

Weak financial risk profile

The company had stopped disbursements of loans from June 2019 and has been focusing on recovery from its loan portfolio, which has resulted in decline in its loan portfolio till FY21. In FY22, the company resumed loan disbursements, though slowly. The company has entered a business correspondence (BC) and co-lending partnership with established non-banking finance corporations (NBFCs) to utilise its branch set-up and plans to build off-balance sheet loan portfolio. With the reducing own book loan portfolio and lower disbursements of loans, the interest income for FY25 declined to ₹3.35 crore (FY24: ₹5.17 crore) while the total income declined to ₹7.46 crore for FY25 (FY24: ₹10.59 crore). The company's operating expense slightly increased in FY25 considering increase in the finance cost, depreciation and amortisation expense and write-offs of the receivables from the BC partners. The company reported losses of ₹11.09 crore in FY25 (PY: losses of ₹8.60 crore).

Small scale of operations and exposure to economically weaker segment

SPHMPL provides finance towards rural housing and loans towards improvement of houses. The target segment of the company is majorly contractual workers for small firms and self-employed customers with micro businesses. The average ticket size of the loan ranges from ₹1-10 lakh, with tenure ranging between 36 and 120 months. Loans are majorly used for laying foundation, plinth level construction, tiled roofing, pucca flooring, fixing wooden doors/windows, among others. This particular class of debtors has been the company's focus since its founding. As on March 31, 2025, the company's on-book loan portfolio stood at ₹21.39 crore compared to loan portfolio of ₹29.39 crore on March 31, 2024. Reduction in the business activity from FY19 to FY22 was part of its business restructuring plan. Previously, the company was concentrating on growing its portfolio of off-book loans by providing business correspondent services and entering co-lending agreements with NBFCs.

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

Weak asset quality parameters

SPHMPL has been primarily lending towards the housing finance needs of the self-employed customers or salaried borrowers operating in unorganised sector in low and middle-income segment, who are not serviced by the banking sector. SPHMPL's asset quality was affected in COVID-19 pandemic, resulting in increase in its non-performing assets (NPAs). The company reported gross NPA (GNPA) ratio of 60.5% and net NPA (NNPA) ratio of 49.5% as on September 30, 2023, compared to GNPA ratio of 65% and NNPA ratio of 57.2% as on March 31, 2022.

Key strength

Adequate capitalisation level

The company's tangible net worth (TNW) stood at ₹14 crore as on March 31, 2025, compared to ₹24 crore as on March 31, 2024. The decline in net worth was considering losses reported in FY25. However, with decline in loan portfolio it reported capital adequacy ratio (CAR) of 105% (Tier-I CAR: 105%) as on March 31, 2025, compared to CAR of 112% (Tier-I CAR: 111%) as on March 31, 2024. The company has negligible outstanding borrowings as on March 31, 2025.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[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

SPHMPL is a housing finance company (HFC) founded in January 2009 by A Ramesh Kumar, former Chief General Manager (CGM) of State Bank of India (SBI), Maharashtra Circle, where he pioneered the bank's linkages with self-help groups (SHG) making SBI a leader in microfinance lending in Maharashtra. SPHMPL is focused on providing housing loans for fresh construction and for renovation/ repairs/ upgrade existing houses. SPHMPL has investments of reputed private equity investors like Zephyr Peacock India Fund III Limited, Aavishkaar Goodwell India Microfinance Development Company - II Limited, among others. As on September 30, 2023, the company had existence in six states with 52 branches.

Brief Financials (₹ crore)	March 31, 2024	March 31, 2025	9MFY26
Standalone	(A)	(A)	(UA)
Total income	11	7	NA
Profit after tax (PAT)	-9	-11	NA
Assets under management (AUM)	NA	NA	NA
On-book gearing (x)	0.01	0.01	NA
AUM / tangible net-worth (TNW) (x)	NA	NA	NA
Gross non-performing assets (NPA) / gross stage three (%)	NA	NA	NA
Return on managed assets (ROMA) (%)	NA	NA	NA
Capital adequacy ratio (CAR) (%)	111	105	NA

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: Not available

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
Fund-based - LT-Term Loan	-	-	-	NA	20.00	CARE B; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

NA: Not applicable

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	20.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (06-Mar-25)	1)CARE B; Stable (03-Jan-24)	1)CARE B; Stable (28-Nov-22)

*Issuer did not cooperate; based on best available information.

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	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: 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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