Ummeed Housing Finance Private Limited

July 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,483.00 (Enhanced from 1,383.00)	CARE A; Stable	Reaffirmed
Non-convertible debentures	33.00	CARE A; Stable	Reaffirmed
Non-convertible debentures	20.60	CARE A; Stable	Reaffirmed
Non-convertible debentures	250.00	CARE A; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned to long-term bank facilities and non-convertible debentures (NCDs) of Ummeed Housing Finance Private Limited (Ummeed). Ratings reflect the company's strong capital position, adequate profitability, healthy asset quality, adequate liquidity and diversified funding profile. CareEdge Ratings expects that the company will continue to grow at a healthy pace while maintaining its earnings profile. However, asset quality will remain monitorable as the book seasons.

On the other hand, rating is constrained by limited portfolio seasoning and geographical concentration. The borrower segment comprises low-to-middle income and largely self-employed customers, which remains vulnerable to income shocks.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sizeable growth 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

- Deteriorating asset quality profile, leading to an increase in credit costs and RoTA reducing below 1.5% on a sustained basis
- 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 the 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 last equity infusion round of ₹200 crore in FY25, Ummeed's tangible net worth

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

(TNW) increased to ₹899 crore as on March 31, 2025 and further to ₹965 crore as on March 31, 2026 owning to healthy internal accruals. With the growth in scale, its gearing increased to 1.57x as on March 31, 2026, from 1.28x as on March 31, 2025, in line with balance sheet growth, while remaining comfortable. The capital adequacy ratio (CAR) remained strong at 63.11% as on March 31, 2026 (Tier I CAR at 62.49%), providing sufficient capital buffer to support growth and absorb potential asset quality pressures. CareEdge Ratings does not see a need for capital support in the near future.

Adequate, despite some moderation, in earnings profile

Ummeed has maintained healthy profitability over the years, supported by low gearing, consistent assets under management (AUM) growth and comfortable asset quality. It reported a profit after tax (PAT) of ₹59.04 crore in FY26, translating into RoTA of 2.53% and return on average tangible net worth (RoNW) of 6.34% against a net profit of ₹59.33 crore, RoTA of 3.21% and RoNW of 7.70% in FY25. The entity's earnings profile is supported by adequate net interest margins (NIMs) in relation to average total assets (ATA) of 7.93% and low credit cost of 0.39% in FY26. It is noteworthy that Ummeed's margin compressed in FY26 slightly considering increase in gearing and shift towards housing loan segment which has relatively lower yields. In FY26, profitability was also supported by direct assignment (DA) income with an increase in DA income to total income ratio to 11.57% in FY26 against 8.39% in FY25. Given the relatively long-tenure assets, its earnings profile remains susceptible to systemic interest rate changes.

Diversified lender profile

Ummeed maintained a diversified funding profile in FY26, with a continued mix of bank borrowings, capital market instruments, and other sources. During the year, share of bank term loans moderated to 46% compared to 56% in FY25, while NCDs increased significantly to 20% from 5%, reflecting enhanced access to capital market funding. External commercial borrowing (ECB) exposure declined to 12% (from 16%), and the National Housing Bank (NHB) borrowings remained stable at ~10%. Its ability to raise required debt funding at competitive pricing will be key for its profitability.

Key weaknesses

Moderate seasoning with low vintage

Having commenced its operations in 2016, Ummeed has operational track record of ten years with product offering of housing loan which constitute ~64% of its AUM as on March 31, 2026, 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 March 31, 2026, it reported GNPA of 1.21% against 0.77% in March 2025; the rise was primarily considering portfolio seasoning and AUM growth.

Geographical concentration

As on March 31, 2026, Ummeed had presence in nine states and union territories (UTs) with top state, Rajasthan, accounting for 46.33% in its AUM (slightly lower than 48.47% 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 March 31, 2026, there are no negative cumulative mismatches across buckets. The company maintained adequate on-book liquidity in the form of cash and bank balance of ₹207.03 crore as on March 31, 2026 (including ₹94.97 crore in the form of cash and bank balance and ₹112.05 crore in the form of investment in mutual funds). It has debt obligations of ₹ 143.01 crore due in the next six months and has scheduled collections of ₹278.72 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 the 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)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total income	242.70	316.97	371.91
Profit after tax (PAT)	52.73	59.33	59.04
Assets under management (AUM)	1724.19	2279.97	2720.58
On-book gearing (x)	1.41	1.28	1.57
AUM / tangible net-worth (TNW) (x)	2.68	2.54	2.82
Gross non-performing assets (NPA) / gross stage 3 (%)	0.50	0.77	1.21
Return on managed assets (ROMA) (%)	3.46	2.79	2.16
Capital adequacy ratio (CAR) (%)	63.01	69.89	63.11

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	NA	NA	NA	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-Aug-2025	Repo linked	11-Aug-2032	125.00	CARE A; Stable
Debentures-Non Convertible Debentures	INE870W07092	29-Jan-2026	Repo linked	29-Jan-2033	125.00	CARE A; Stable
Fund-based - LT-Term Loan	NA	-	-	February 28, 2034	1483.00	CARE A; Stable

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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	1483.00	CARE A; Stable	-	1)CARE A; Stable (12-Jan-26) 2)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)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (04-Dec-23)
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)
4	Debentures-Non Convertible Debentures	LT	33.00	CARE A; Stable	-	1)CARE A; Stable (12-Jan-26) 2)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)
5	Debentures-Non Convertible Debentures	LT	20.60	CARE A; Stable	-	1)CARE A; Stable (12-Jan-26) 2)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)
6	Debentures-Non Convertible Debentures	LT	250.00	CARE A; Stable	-	1)CARE A; Stable (12-Jan-26) 2)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	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.

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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