

February 13, 2026

ManiBhavnam Home Finance India Pvt. Ltd.: [ICRA]BBB- (Stable) assigned to Rs. 25-crore NCD programme; rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Term loan	85.00	85.00	[ICRA]BBB- (Stable); reaffirmed
Non-convertible debentures (NCD)	-	25.00	[ICRA]BBB- (Stable); assigned
Total	85.00	110.00	

*Instrument details are provided in Annexure I

Rationale

The rating reflects ManiBhavnam Home Finance India Pvt. Ltd.'s (ManiBhavnam) adequate capitalisation with a capital-to-risk weighted assets ratio (CRAR) of 34.0% and managed gearing¹ of 4.3 times as on December 31, 2025 (4.2 times as on March 31, 2025). It last raised ~Rs. 9-crore equity in FY2024 and had planned to raise ~Rs. 50-crore equity capital in FY2025, though the same has not yet materialised. Due to the delay in raising equity capital, the company maintained moderate growth in 9M FY2026 and maintained its capital buffers. ManiBhavnam's assets under management (AUM) grew by 12% year-on-year to Rs. 295 crore as of December 2025 (23% in FY2025; 35% in FY2024). ICRA takes note of the company's plans to raise ~Rs. 50 crore equity capital in Q4 FY2026 followed by an additional ~Rs. 50 crore in FY2027. Given its future growth plans and modest internal accruals, it will be important to raise equity capital in the near term to maintain an adequate capitalisation profile and the same shall remain monitorable.

The rating remains constrained by ManiBhavnam's modest earnings and moderate asset quality. The company reported a net profit of Rs. 3.3 crore (provisional) in 9M FY2026 vis-à-vis Rs. 6.0 crore in 12 M FY2025. Apart from the pressure on margins amid intense competition in the sector, ManiBhavnam's operating efficiency remains suboptimal, notwithstanding the improvement, impacting its overall earnings in 9M FY2026. Further, its reported gross non-performing assets (GNPAs) increased to 3.1% as on December 31, 2025 from 2.8% as on March 31, 2025. Additionally, ManiBhavnam held repossessed assets of 2.7% and a standard restructured portfolio (restructured loans under Resolution Framework 1.0 & 2.0 for Covid-19-related stress) of 0.9% as on December 31, 2025. The company's ability to control fresh slippages and achieve recoveries from delinquent accounts would remain monitorable. The portfolio's limited seasoning due to rapid growth in the past few years and the relatively vulnerable borrower base also weigh on the rating.

The Stable outlook reflects ICRA's expectation that the company will continue to maintain an adequate capital profile and gradually improve its earnings profile as it scales up its operations.

Key rating drivers and their description

Credit strengths

Adequate capitalisation profile – ManiBhavnam's CRAR of 33.93% was well above the regulatory requirement of 15% as on December 31, 2025. It remains adequately capitalised at present with a net worth of Rs. 60 crore and a managed gearing of 4.3 times as on December 31, 2025 (4.2 times as on March 31, 2025; 3.9 times as on March 31, 2024). The company last raised ~Rs. 9-crore equity in FY2024 and had planned to raise ~Rs. 50-crore equity capital in FY2025, though the same has not yet materialised. Given its modest internal accruals and delay in raising equity, ManiBhavnam had moderated its growth rate in

¹ Managed gearing = (On-book borrowings + Off-book portfolio)/Net worth

9M FY2026 and maintained its capital buffers. ICRA takes note of the company's plans to raise ~Rs. 50 crore equity capital in Q4 FY2026 followed by an additional ~Rs. 50 crore in FY2027 and the same shall remain monitorable.

Credit challenges

Limited track record and small scale of operations with relatively vulnerable borrower profile – Since commencing operations in February 2017, ManiBhavnam has expanded its presence to 6 states via 21 branches. Nonetheless, the company's overall scale remains modest with AUM of Rs. 295 crore as on December 31, 2025. Further, given the limited track, portfolio seasoning is low compared to the longer-tenure asset class – home loans (55% of AUM as of December 2025) and loan against property (LAP; 45% of AUM as of December 2025). ManiBhavnam primarily serves low-and-middle-income individuals and families, many of whom rely on informal or undocumented sources of income. This borrower segment tends to be more vulnerable to economic downturns, given their limited financial buffers to absorb external shocks. Nonetheless, given the secured nature of the portfolio and moderate loan-to-value, ultimate losses are expected to be lower.

Moderate asset quality – ManiBhavnam's GNPA's rose to 3.1% as on December 31, 2025 (2.8% as on March 31, 2025) from 1.5% as on March 31, 2024 due to higher slippages and delays in recovery proceedings. Additionally, the company reported repossessed assets and a standard restructured portfolio of 2.7% and 0.9%, respectively, as on December 31, 2025 (2.5% and 1.5%, respectively, as on March 31, 2025). ICRA notes that the share of restructured assets is on a declining trend and the company has not undertaken incremental restructuring since the Covid-19 pandemic. Nevertheless, its ability to manage additional slippages and improve recoveries from delinquent accounts will remain a key monitorable from a credit perspective.

Modest profitability – ManiBhavnam's overall profitability remains modest with a provisional net profit of Rs. 3.3 crore in 9M FY2026 (Rs. 6.0 crore in 12 M FY2025) amid pressure on margins and elevated operating costs. The company has lowered its lending rates amid increasing competition in the sector while the cost of funding has not declined commensurately. Further, the on-balance sheet funds raised in 9M FY2026 were at a relatively higher cost vis-à-vis FY2025, keeping margins under pressure. While the operating efficiency improved to an extent in 9M FY2026 with operating expenses declining to 5.7% of average managed assets (AMA) from 6.0% in FY2025, the same remains elevated. Credit costs remained under control at 0.2% of AMA (0.3% of AMA in FY2025) despite the moderation in the asset quality in FY2025 and 9M FY2026. Nonetheless, the company's ability to continue improving its operating efficiency while controlling its margins and credit costs shall remain important from a credit perspective. ICRA expects a gradual improvement in ManiBhavnam's earnings profile as it scales up its operations.

Liquidity position: Adequate

As on December 31, 2025, the liquidity profile was adequate with on-balance sheet unencumbered liquidity of ~Rs. 8 crore. This, along with scheduled inflows of Rs. 131 crore, is sufficient to cater to the scheduled debt obligations of Rs. 53 crore till September 30, 2026. The presence of the Rs. 18-crore sanctioned and unutilised lines also supports its liquidity profile.

. The non-convertible debentures (NCDs), which ManiBhavnam proposes to issue, entail relatively stringent financial covenants. The management has clarified that the company is not in breach of any of its covenants pertaining to its debt funding arrangements. However, the liquidity profile shall face pressure upon failure to meet the covenants if ManiBhavnam is unable to get waivers from the lenders/investors or they do not provide it with adequate time to arrange for alternative funding to pay off the accelerated loans.

Rating sensitivities

Positive factors – A sustained improvement in the scale and diversification of operations, while improving the profitability and asset quality and maintaining a prudent capitalisation profile, could positively impact the rating.

Negative factors – A deterioration in the asset quality indicators, resulting in sustained pressure on the profitability indicators, could negatively impact the rating. Inability to maintain prudent capitalisation, with the managed gearing exceeding 5 times on a continued basis, or a stretch in the liquidity position could also put pressure on the rating.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies (NBFCs)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

ManiBhavnam Home Finance India Pvt. Ltd. (ManiBhavnam), which was incorporated in 2016, started operations in February 2017 with a focus on the affordable housing space for the under-financed segment. It was founded by Mrs. Meghha Gupta and Mr. Ayyushman Mehta. Mr. Deepak Joshi joined the company in August 2016 as the Chief Founding Mentor and Director.

The company reported a provisional profit after tax (PAT) of Rs. 3.3 crore in 9M FY2026 on gross assets under management (AUM) of Rs. 295 crore as on December 31, 2025 against a PAT of Rs. 6.0 crore in FY2025 on gross AUM of Rs. 276 crore as on March 31, 2025. As of December 2025, ManiBhavnam operated through 21 branches in 6 states.

The company offers home loans and loan against property (LAP). It primarily caters to borrowers in the informal segment (i.e. borrowers with earnings in cash, no formal income documents, etc). As on December 31, 2025, ManiBhavnam had a housing loan to non-housing loan mix of 55:45 and a salaried to self-employed mix of 35:65 in its overall AUM.

Key financial indicators

ManiBhavnam Home Finance India Pvt. Ltd.	FY2024	FY2025	9M FY2026*
Total income	35.6	45.1	34.1
PAT	2.4	6.0	3.3
Total managed assets	254	307	326
Return on managed assets^	1.1%	2.1%	1.4%
Managed gearing (times)	3.9	4.2	4.3
Gross NPA	1.5%	2.8%	3.1%
CRAR	38%	34%	34%

Source: Company, ICRA Research; *Provisional; All ratios as per ICRA's calculations; ^PAT/Average (Total assets + Off-book portfolio); Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Feb-13-26	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Fund based – Term loan	Long term	85	[ICRA]BBB-(Stable)	Jun-06-25	[ICRA]BBB-(Stable)	Apr-01-24	[ICRA]BBB-(Stable)	-	-	Feb-17-23	[ICRA]BBB-(Stable)
				-	-	Jun-05-24	[ICRA]BBB-(Stable)	-	-	-	-
NCD	Long term	25	[ICRA]BBB-(Stable)	-	-	-	-	-	-	-	-

Complexity level of the rated instrument

Instrument name	Complexity indicator
Long term fund based – Term loan	Simple
Non-convertible debentures	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term fund based – Term loan	Dec 2021 to Dec 2022	10.9-11.8%	Nov 2026 to Dec 2029	85.00	[ICRA]BBB- (Stable)
NA	Non-convertible debentures – Yet to be issued	NA	NA	NA	25.00	[ICRA]BBB- (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

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