



Press Release
BHALA FINANCE PRIVATE LIMITED
July 21, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	40.00	ACUITE BBB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	40.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has assigned the long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minust**) on the Rs. 40.00 Cr. Proposed Bank Loan Facilities of Bhala Finance Private Limited (BFPL). The outlook is '**Stable**'.

Rationale for the Rating

The rating assigned factors in the growth in financial performance, disbursements and AUM growth, and adequate capitalisation of Bhala Finance Private Limited. The company's financial performance has shown improvements with a Profit After Tax (PAT) which has increased from Rs 0.21 crore in FY 22 to Rs 3.56 crore in FY 25. The interest income has also seen substantial increase from Rs 3.15 crore in FY 22 to Rs 26.27 crore in FY 25. The Assets Under Management (AUM) of the company expanded from Rs. 33.33 Cr. in FY22 to Rs. 166.18 Cr. in FY25 while loan disbursements grew from Rs. 20.86 Cr. in FY2022 to Rs. 102.65 Cr. in FY2025. BFPL has received consistent equity infusions from the promoter to support its growth initiatives, with an additional capital infusion anticipated in FY 26. However, the rating is constrained by geographical concentration in the loan book, which remains primarily focused in Rajasthan. Apart from this aspect the asset quality indicated by GNPA (120 DPD NPA) has declined and stood at 1.50% and NNPA at 0.86% in FY 25; these were at 1.42% and 0.71% in FY 24. The total debt of the company has also increased from Rs 80.61 Cr. in FY 24 to Rs. 138.35 Cr. in FY 25. Going forward, Acuite believes the company's ability to maintain asset quality, and scaling operations profitably would be key monitorables.

About the company

Jaipur, Rajasthan based, Bhala Finance Private Limited was incorporated in 2015. Mr. Ramakant Bhala, Mrs. Nikita Saboo, Mr. Harsh Bhala, Mrs. Snhe Lata Bhala are directors of the company. The company provides mortgage loans on residential, commercial properties, business loans, vehicle loans. The company's main aim is to cater to the diverse financial needs of retail and corporate businesses in tier 2 and tier 3 cities. The company operates from more than 30 locations in Rajasthan and Madhya Pradesh.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Bhala Finance Private Limited to arrive at the rating.

Key Rating Drivers

Strength

Steady financial performance

The company has demonstrated significant financial growth with the PAT increasing from Rs. 0.21 crore in FY 22

to Rs. 3.56 crore in FY 25. Furthermore, the interest income also saw an increase, growing from Rs. 3.15 crore to Rs. 26.27 crore over the same period. Additionally, the company's on book AUM expanded markedly from Rs. 33.33 Cr. in FY22 to Rs. 161.19 Cr. in FY25, the AUM stood at Rs. 166.18 Cr. (Inclusive of off book DA transaction which commenced in FY25). Disbursement growth followed a similar upward trend, increasing from Rs. 20.86 Cr. in FY 22 to Rs.102.65 Cr. in FY 25.

Adequate Capitalisation and borrowing profile

The company's Capital Adequacy Ratio (CAR) stood at 26.74% in FY 25 as against 36.39% for FY 24. BFPL has

regular capital infusions done by the promoter. There have been regular capital infusions by the promoter over the last few years and further capital infusions by the promoter are expected to continue, likely boosting the CAR further in FY26. The net worth of the company has increased from Rs 26.15 Cr. in FY 24 to Rs. 40.67 Cr. in FY 25. The borrowing profile of the company is well diversified, comprising of Non-Convertible debentures (NCDs), bank loans from public sector banks, NBFCs and private banks as well. The total debt for the company for FY 25 rose to Rs. 138.35 Cr. from Rs. 80.61 Cr. in FY 24 and Rs. 23.08 Cr. in FY 22.

Weakness

Moderate Asset Quality

The company has an average overall collection efficiency of 89.80% for FY 25, the asset quality of the company marked by the GNPA stood at 1.50% with 120 DPD NPA policy and NNPA at 0.86%. With a 90 DPD stands at 1.86% for FY 25. The GNPA and NNPA has increased from FY 24 levels at 1.42% and 0.71% respectively. The NPA is mainly coming from the state of Rajasthan. Although the slippages have increased in the softer buckets 1+dpd upto 90 dpd from FY 22 to FY 25, from 2.1% to 3.00% of the AUM in FY 25.

Modest scale of operations coupled with geographic concentration risk

The company has modest scale of operations with an outstanding loan portfolio of Rs. 161.19 Cr. as on March 31, 2025, as compared to Rs. 102.18 Cr. as on March 31, 2024. BFPL's portfolio is exposed to high geographical concentration risk, as 98.24 per cent of the total portfolio is concentrated in only state of Rajasthan. However, BFPL has expanded to Madhya Pradesh and plans to expand in the state of Gujarat to somewhat mitigate the geographic concentration risk. The company has a branch network of 30 branches spread across 22 districts. Generally, the risk profile of an NBFC with a geographically diversified portfolio is more resilient compared to that of entity with a geographically concentrated portfolio.

Acuité believes that modest scale of operations coupled with geographic concentration in its portfolio will continue to weigh on the company's credit profile over the near to medium term.

Rating Sensitivity

- Movement in collection efficiency and asset quality
- Movement in liquidity buffers
- Movement in profitability parameters
- Changes in regulatory environment

Liquidity Position

Adequate

Bhala Finance Private Limited has adequate liquidity. As on March 31, 2025, the unutilised bank limits stood at Rs 24.12 Cr. and the cash & bank balances and liquid MFs stood at Rs 20.06 Cr. Furthermore, the company reported no cumulative negative mismatches in the ALM profile as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY25 (Actual)	FY24(Actual)
Total Assets**	Rs. Cr.	185.52	111.59
Total Income*	Rs. Cr.	12.85	7.61
PAT	Rs. Cr.	3.56	2.06
Net Worth	Rs. Cr.	40.67	26.15
Return on Average Assets (RoAA)	(%)	2.40	2.49
Return on Average Net Worth (RoNW)	(%)	10.66	10.76
Debt/Equity	Times	3.40	3.08
Gross NPA (120 DPD)	(%)	1.50	1.42
Net NPA (120 DPD)	(%)	0.86	0.71

*Total income equals to Net Interest Income plus other income

** Total Assets have been adjusted for deferred tax assets

***Ratios are as per Acuite's calculations

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITÉ BBB- Stable Assigned

Contacts

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About Acuité Ratings & Research

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