

Jana Small Finance Bank Ltd

July 09, 2026

Credit Update

CARE Ratings Limited (CareEdge Ratings) notes the recent debt reschedulement at Jana Small Finance Bank Limited's (JSFBL's) promoter entities, Jana Holdings Limited (JHL) and Jana Capital Limited (JCL). The maturity date of promoter entities' outstanding listed non-convertible debentures (NCDs) has been extended from June 30, 2026 to December 31, 2026, basis the approvals from the debenture holders. JHL and JCL are non-operating holding entities with no independent operating cash flows, and repayment of these NCDs is proposed to be primarily funded through monetisation of their shareholding in JSFBL per CareEdge Ratings' discussion with the majority NCD holder. JSFBL has no obligations towards the debt servicing of the promoter entities. Also, there are no cross-default or cross-acceleration provisions linking JSFBL's debt obligations with those of the promoter entities.

As on June 30, 2026, JHL held 16.9% of the JSFBL's equity after divesting 4.9% in Q1FY27. The promoter entities intend to further monetise their shareholding to repay the outstanding NCDs. Upon dilution of promoter shareholding below 9.99%, JHL intends to seek reclassification from the promoter category to the public category, subject to the requisite regulatory and statutory approvals. Successful execution of this process will delink the bank from the promoter entities and is expected to mitigate the reputational risk arising from the overhang of the promoter-level debt.

CareEdge Ratings, while assigning the rating to the Lower Tier-II bonds of JSFBL earlier, had already taken the cognisance of the elevated refinancing and repayment risks at JSFBL's holding companies, and also highlighted that the weak standalone credit profiles of JHL and JCL were not expected to materially affect JSFBL's credit profile, considering its status as a listed bank and the promoter stake being below 25%. Further, there is no representation of the promoter entities on JSFBL's Board, and vice versa. Since the date of announcement of promoter-level debt reschedulement, no material deterioration has been observed in the bank's liability franchise, deposit flows, and liquidity.

The rating continues to factor in the bank's adequate capitalisation, healthy business growth, and increasing diversification of its loan portfolio. However, the rating remains constrained by the moderation in asset quality and profitability, and its relatively low current account saving account (CASA) ratio of ~18% as on March 31, 2026, with continued reliance on bulk deposits.

For the detailed press release of IFBL, please [click here](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Banks	Other bank

JSFBL (formerly Janalakshmi Financial Services Limited) commenced operations as an NBFC in 2008 and later operated as an NBFC-microfinance institution (NBFC-MFI). It received a licence to set up a small finance bank (SFB) on April 28, 2017, and commenced banking operations on March 28, 2018.

JSFBL is a Bengaluru-based SFB focused on retail banking, with emphasis on microfinance, housing loans, micro housing/M-LAP, and micro and small enterprise lending. As on March 31, 2026, the bank operated through 822 branches and reported deposits of ₹35,784 crore and advances of ₹36,289 crore.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total income	5,486	6,375
Profit after tax (PAT)	501	326
Total assets	38,279	47,263
Net interest margin (NIM) (%)	6.76	6.06
ROTA (%)	1.42	0.76
Gross non-performing assets (NPA) (%)	2.71	2.46
Net non-performing assets (NPA) (%)	0.94	0.92
Capital adequacy ratio (CAR) (%)	20.68	19.38

A: Audited; Note: these are latest available financial results

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 disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ¹
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 Mutual 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), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and 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 in 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

¹SEBI: 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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