Suryoday Small Finance Bank Limited

March 06, 2018

Ratings

Instruments	Amount (Rs. crore)	Ratings[1]	Rating Action
Commercial Paper Issue	-	-	**Withdrawn**

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the commercial paper issue of Suryoday Small Finance Bank Limited with immediate effect, as the company has repaid the aforementioned Commercial Paper Issue in full and there is no amount outstanding under the issue as on date.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings]

About the Company

Incorporated in November 2008, Suryoday Small Finance Bank (SSFB) (erstwhile Suryoday Microfinance Ltd) is a Mumbai based small finance bank. SSFB commenced group lending business w.e.f. May 2009. Under the JLG model, SSFB provides micro loans to individual members in the group with each group consisting of five members and 2-6 groups forming a centre. The loans are provided to individual members in a group based on the mutual guarantee from members wherein each member is jointly responsible for the loan repayment of the centre. As on March 31, 2017, SSFB had Assets under Management (AUM) of Rs.964.14 crore including managed portfolio of Rs.132.06 crore as on March 31, 2017. The operations of SSFB are spread across eight states and one union territory i.e. Maharashtra, Tamil Nadu, Odisha, Chhattisgarh, Gujarat, Madhya Pradesh, Karnataka, Puducherry and Rajasthan. As on March 31, 2017, SSFB was operating in 116 districts through 217 Mircro Finance Branches and 4 Bank Branches with 7.5 lakh active borrowers (Individual & JLG). The total workforce as on March 31, 2017 stood at 2156 employees including 1121 loan officers. The company was founded by Mr. R Baskar Babu, also Managing Director and Chief Executive Officer (MD & CEO) of SMFL. He has extensive experience of over 24 years in banking & financial sector having previously worked in Cholamandalam, HDFC Bank and GE Commercial Finance.

In August 2016, RBI granted final approval to Suryoday to set up a Small Finance Bank (SFB). Suryoday Small Finance Bank commenced its operations as a Small Finance Bank on 23rd January, 2017. As on July 28, 2017, the Bank had 16 bank branches in 5 states.

[1]*Complete definition of the rating assigned are available at www.careratings.com and other CARE publications.*

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	199	254
PAT	27	15
Interest coverage (times)	1.44	1.21
Total Net Assets	1193	1604
Net NPA (%)	0.04	3.80
ROTA (%)	2.82	1.08

A- Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

Analyst Contact:
Name: Mr Ravi Kumar
Tel: 022-67543421
Mobile: + 91-9004607603
Email: ravi.kumar@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial paper	-	-	-	-	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based/Non-fund-based-LT/ST	LT/ST	150.00	CARE A-; Stable / CARE A1	1)CARE A-; Stable / CARE A1 (10-Oct-17)	1)CARE A-; Stable / CARE A1 (15-Dec-16) 2)CARE A- / CARE A1 (29-Aug-16)	-	-
2.	Commercial Paper	ST	-	-	1)CARE A1 (10-Oct-17)	1)CARE A1 (15-Dec-16)	-	-
3.	Debentures-Non Convertible Debentures	LT	60.00	CARE A-; Stable	1)CARE A-; Stable (10-Oct-17)	1)CARE A-; Stable (15-Dec-16)	-	-
4.	Debentures-Non Convertible Debentures	LT	50.00	CARE A-; Stable	1)CARE A-; Stable (10-Oct-17)	1)CARE A-; Stable (08-Feb-17)	-	-

CONTACT

Head Office Mumbai

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Ltd.)
Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD
Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

BENGALURU
Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

CHANDIGARH
Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 85111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

CHENNAI
Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

COIMBATORE
Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

HYDERABAD
Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com

JAIPUR
Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

KOLKATA
Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

NEW DELHI
Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

PUNE
Mr.Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

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