

Suryoday Small Finance Bank Limited

February 06, 2019

Ratings

Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Bank Facilities	-	-	Withdrawn
Non-Convertible Debentures	-	-	Withdrawn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CARE has withdrawn the rating assigned to the bank facilities and non-convertible debentures issue of Suryoday Small Finance Bank Limited with immediate effect, as the company did not utilize the aforementioned bank facilities and repaid the aforementioned non-convertible debentures in full and there is no outstanding under the said facility and 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, 2018, SSFB had Assets under Management (AUM) of Rs.1596 crore. 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 Chola mandalam, 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.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	254	287
PAT	15	10
Interest coverage (times)	1.21	1.13
Total Assets	1604	2164
Net NPA (%)	3.80	1.86
ROTA (%)	1.08	0.54

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.

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

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

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.

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CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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
Bank facilities	-	-	-	-	Withdrawn
Non-Convertible Debentures	-	-	-	-	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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2016-2015
1.	Fund-based/Non-fund-based-LT/ST	LT/ST	-	-	-	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)Withdrawn (06-Mar-18) 2)CARE A1 (10-Oct-17)	1)CARE A1 (15-Dec-16)	-
3.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE A-; Stable (10-Oct-17)	1)CARE A-; Stable (15-Dec-16)	-
4.	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE A-; Stable (10-Oct-17)	1)CARE A-; Stable (08-Feb-17)	-

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CIN - L67190MH1993PLC071691