Ujjivan Small Finance Bank Limited

September 19, 2018

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long term instruments- Non- Convertible Debentures- NCD IX	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating assigned to the Non-convertible debentures (ISIN: INE334L07167) of Ujjivan Small Finance Bank Limited (USFB) with immediate effect, as the bank has fully repaid the aforementioned NCD 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

USFB, incorporated on July 04, 2016 is a wholly owned subsidiary of Ujjivan Financial Services Limited (UFSL). UFSL was a Bangalore based Microfinance Company registered as NBFC-MFI with RBI. It has been in microfinance lending since 2005 and has operated through joint liability group (JLG) model in urban and semi urban areas and target customers who are salaried as well as self-employed women. UFSL was one of the ten entities to be granted "in-principle" approval by Reserve Bank of India (RBI) on September 16, 2015 to set up a bank under the "Guidelines for Licensing of Small Finance Banks in the private sector" (Guidelines) issued by the RBI on November 27, 2014. Subsequently, on November 11, 2016 RBI granted the license to USFB to carry out the banking business in India. Accordingly, USFB formally commenced its operations on February 1, 2017 whereby in line with the terms with Business Transfer Agreement (BTA) effective from February 1, 2017 entered between UFSL and USBL, the entire assets/liabilities of UFSL had been transferred to USBL.

As on June 30, 2018, the bank has 275 branches (including 48 Unbanked Rural Centres) and 187 Asset centres. The bank has presence across 24 the States and Union Territories of India, and with an overall portfolio of around Rs.7,605 crore as on June 30, 2018.

Brief Financials (Rs. crore)	FY17 (A)^	FY18 (A)^^
Total operating income	1398	1579
PBILDT	208	7
PAT	1.59	1.52
Overall gearing (times)	8,367	9,473
Interest coverage (times)	0.03	0.69

A: Audited; ^: Consolidated financials of UFSL; ^^: Standalone financials of USFB

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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[1]*Complete definition of the ratings 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.

Disclaimer

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
Debentures-Non Convertible Debentures	July 23, 2015	12.35%	August 05, 2021	0.00	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 2015-2016
1.	Fund-based - LT-Term Loan	LT	1195.17	CARE A+; Stable	1)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-
2.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-
3.	Debentures-Non Convertible Debentures	LT	40.00	CARE A+; Stable	1)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-
4.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-
5.	Debentures-Non Convertible Debentures	LT	-	-	1)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-
6.	Fund-based-Long Term	LT	3054.83	CARE A+; Stable	1)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-
7.	Debentures-Non Convertible Debentures	LT	60.00	CARE A+; Stable	1)CARE A+; Stable (06-Jul-18)	1)CARE A+; Stable (06-Sep-17) 2)CARE A+; Stable (12-Apr-17)	-	-

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