

## Jain Sons Finlease Limited

March 22, 2019

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture programme	25.00	25.00	[ICRA]BBB-(Negative); Withdrawn
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	

\*Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the long-term rating of [ICRA]BBB- (pronounced ICRA triple B minus) with a Negative outlook on the Rs. 25-crore non-convertible debenture programme of Jain Sons Finlease Limited (JSFL) at the request of the company. The company has repaid the obligation on time and closed the loan with no outstanding borrowing against the rated instrument. The rating has been withdrawn in accordance with ICRA's policy on withdrawal and suspension.

### Outlook: Not applicable

### Key rating drivers

The key rating drivers have not been captured as the rating has been withdrawn.

### Liquidity position

Not applicable as the rating has been withdrawn

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

### About the company

JSFL was incorporated as a non-banking finance company (NBFC) in February 1998. In December 2011, Mr. Vineet Rai-promoted Intellectcash acquired JSFL and later diluted its stake with a series of equity infusions by other investors. With the latest round of capital infusion of Rs. 50 crore by Avishkar Venture Management Services, the promoter companies jointly hold a 44% stake in the company.

The company lends to the SME segment, targeting entities that are in their growth phase. The ticket size varies from Rs. 50 lakh to Rs. 10 crore. JSFL takes soft collaterals like first loan defaults guarantees (FLDGs), personal guarantees and corporate guarantees against loans and cheques (post-dated and undated). JSFL reported a net profit of Rs. 0.25 crore in 9M FY2019 on a total portfolio of Rs. 365.67 crore against a net loss of Rs. 19.96 crore in FY2018 on a total portfolio of Rs. 316.81 crore as on March 31, 2018 (net profit of Rs. 5.20 crore in FY2017 on a total portfolio of Rs. 252.36 crore as on March 31, 2017).

## Key financial indicators

For period ending Number of months	FY2017 12	FY2018 12	9M FY2019 9
Total income	45.30	54.64	42.20
Profit before tax	7.60	-19.53	0.25
Profit after tax	5.20	-19.96	0.25
Portfolio size	252.36	316.81	365.67
Total assets	290.84	380.49	416.17
% CRAR	40.10%	27.78%	29.83%
Gearing	1.7	2.4	2.6
%Net profit/average total assets	2.18%	-5.94%	0.08%
% Return on net worth	6.84%	-19.35%	0.32%
% Gross NPAs	2.09%	3.94%	4.77%
% Net NPAs	1.88%	3.55%	4.32%
Net NPA/Net worth	4.59%	10.91%	14.83%

Amount in Rs. crore; ^ Annualised; All ratios are as per ICRA calculations

Source: Company, ICRA research

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for last three years

Sr. No.	Name of Instrument	Type	Current Rating (FY2019)			Chronology of Rating History for the Past 3 Years			
			Rated Amount (Rs. crore)	Amount Outstanding (Rs. crore)	Mar-19	FY2019 May-18	FY2018 Sep-17	FY2017 -	FY2016 -
1	Non-convertible debenture programme	Long Term	25.00	-	[ICRA]BBB- (Negative); Withdrawn	[ICRA]BBB- (Negative)	[ICRA]BBB- (Stable)	-	-

## Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument details

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating
INE411R07038	Non-convertible Debenture Programme	12-09-17	12.8%	12-Mar-19	25.00	[ICRA]BBB- (Negative); withdrawn

Source: Company

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