Early Warning System

IFC-37256

Janalakshmi Debt 2

Early Warning System

Janalakshmi Debt 2

IFC-37256

Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-01-26
Borrower	Janalakshmi Financial Services Limited
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 48.63 million

Project Description

The proposed project envisages a senior debt investment in Janalakshmi Financial Services Private Limited (“Janalakshmi” or the “Company”) which is a leading, urban focused microfinance institution (“MFI”) headquartered in Bangalore, Karnataka with a borrower base of more than 4.6 million borrowers and a loan portfolio of approximately INR91 billion (US$1,380 million equivalent) as of March 2016.

Janalakshmi was founded in 2006 as a not-for profit initiative by Mr. Ramesh Ramanathan and is amongst the largest MFIs in the country. Janalakshmi became an NBFC in 2008 and was amongst the first NBFCs to be awarded the NBFC-MFI classification in September 2013. Janalakshmi is one of the 10 recipients of the Small Finance Bank License (“SFB”) awarded by the Reserve Bank of India in mid-September 2015. IFC’s proposed investment will help the company expand the outreach of access to low income borrowers who have little or no access to formal sources of financing.

Investment Description

- International Finance Corporation (IFC)

J Janalakshmi was incorporated in July 2006 and took over micro finance business from Jana Urban Foundation (then known as Janalakhmi Social Service) with effect from April 1, 2008 on receipt of NBFC license from the RBI. Promoter of Janalakshmi, Mr. Ramesh Ramanathan, is a former Managing Director & European Head of Corporate Derivatives of Citibank and holds a post graduate degree from BITS, Pilani and a MBA from Yale. He is a member of the Planning Commission of India's committee on identification of urban below the poverty line families, and a member of the Government of India's expert committee on urban infrastructure finance. He has also been included as a member of the RBI's financial inclusion committee.

Apart from the Jana Urban Foundation (sponsor entity), other key shareholders include TPG Capital, Citigroup Venture Capital, North Haven Pvt. Equity Asia Platinum Pte Ltd., Alpha TC Hoding Pte Ltd., Treeline, India Financial Inclusion Fund, TRG, and Havells enterprise.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Jana Small Finance Bank Limited (Financial Intermediary)

Private Actors Description

Jana Small Finance Bank (Janalakshmi Financial Services Limited) is a leading, urban focused microfinance institution headquartered in Bangalore, Karnataka with a borrower base of more than 4.6 million borrowers and a loan portfolio of approximately INR91 billion (US$1,380 million equivalent) as of March 2016.

Janalakshmi was incorporated in July 2006 and took over micro finance business from Jana Urban Foundation (then known as Janalakhmi Social Service) with effect from April 1, 2008 on receipt of NBFC license from the RBI. Promoter of Janalakshmi, Mr. Ramesh Ramanathan, is a former Managing Director & European Head of Corporate Derivatives of Citibank and holds a post graduate degree from BITS, Pilani and a MBA from Yale.

Contact Information

Project Contact: Mr. Jayasheel Bhansali
Janalakshmi Financial Services Private Limited
Office Address: Rajashree Saroja Plaza, No 34/1, Andree Road, Shanthinagar, Bangalore, Karnataka, India – 560027

Email Address:jayasheel.bhansali@janalakshmi.com
Website: http://www.janalakshmi.com

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/