

# Janalakshmi Financial Services raises up to Rs700 crore

Janalakshmi Financial Services seeks to change its name to Jana Small Finance Bank, start service by February end

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**Mumbai:** Janalakshmi Financial Services has raised Rs600-700 crore (around \$100 million) in latest round of fund-raising ahead of its transformation as a small finance bank, said two people aware of the development.

In 2015, the Reserve Bank of India issued small finance bank licences to 10 entities, including Janalakshmi.

The others are Equitas Holdings Ltd, Ujjivan Financial Services Ltd, Au Financiers (India) Ltd, Capital Local Area Bank Ltd, Disha Microfin Pvt. Ltd, ESAF Microfinance and Investments Pvt. Ltd, RGVN (North East) Microfinance Ltd, Suryoday Micro Finance Pvt. Ltd and Utkarsh Micro Finance Pvt. Ltd.

Janalakshmi Financial Services has been given licence by RBI to setup a Small Finance Bank and will soon be known as Jana Small Finance Bank

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Diversity

With the closure of this round of financing, Janalakshmi will enter the last phase of its conversion into a small finance bank.

“Janalakshmi has raised around Rs600-700 crore from a bunch of new investors, including HarbourVest, which has invested around Rs250-260 crore (approximately \$40 million). The round has been closed recently,” said one of the persons cited above, requesting anonymity as he is not authorized to speak with the media.

*Mint* could not ascertain names of the other investors that participated in the latest round.

HarbourVest is an independent, global private markets investment firm with more than \$45 billion in assets under management.

It has committed more than \$32 billion to newly-formed funds, completed over \$18 billion in secondary purchases and invested over \$7 billion directly in operating companies, according to its website.

The latest round of funding follows the Rs1,030 crore that Janalakshmi raised in September from its existing investors.

The round was led by global private equity major TPG along with Treeline, a Morgan Stanley Asia-managed private equity fund, QRG Enterprises Ltd and Enam Group’s Vallabh Bhansali.

In April 2016, TPG had led a \$150 million funding round in Janalakshmi.

With the closure of this round of financing, Janalakshmi will enter the last phase of its conversion into a small finance bank, said the second person cited above, also requesting anonymity.

“The firm has applied to the registrar of companies (RoC) for changing its name to Jana Small Finance Bank and will soon be approaching the RBI for a commencement certificate, post which it can start its small finance bank operations,” he said.

Ideally, the firm should be able to get the central bank’s commencement approval and launch the services by end of February, he said.

“They are present in around 20 states and currently have around 600 branches. In the first phase of their plans, the firm is looking to start banking operations in around 200 branches over the next few months,” the second person added.

Emails sent to Janalakshmi and HarbourVest were not answered till press time.

Janalakshmi had a gross loan portfolio of Rs12,551 crore at the end of the financial year 2016-17. The company reported a profit of Rs170.1 crore on a revenue of Rs2,978.4 crore in 2016-17.

Most of Janalakshmi's peers have already launched their small finance bank operations and some have also gone public to raise funds.

Equitas Holdings Ltd and Ujjivan Financial Services went public in 2016, while Au Small Finance Bank went public in April last year.

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