

January 24, 2025^(Revised)

Jana Small Finance Bank Limited: Rating reaffirmed for PTCs issued under seven securitisation transactions

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Amount O/s after Last Surveillance (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Smith IFMR Capital 2016	PTC Series A2	5.38	3.65	3.65	[ICRA]D(SO); Reaffirmed
Goldstein IFMR Capital 2016	PTC Series A2	4.10	2.72	2.72	[ICRA]D(SO); Reaffirmed
Syme IFMR Capital 2016	PTC Series A2	1.58	1.23	1.23	[ICRA]D(SO); Reaffirmed
Oceania IFMR Capital 2016	PTC Series A3	20.56	1.81	0.45	[ICRA]D(SO); Reaffirmed
Moses IFMR Capital 2016	PTC Series A2	7.26	7.17	7.17	[ICRA]D(SO); Reaffirmed
Raphael IFMR Capital 2016	PTC Series A1	37.02	3.42	3.42	[ICRA]D(SO); Reaffirmed
	PTC Series A2	2.06	2.06	2.06	[ICRA]D(SO); Reaffirmed
Leonardo IFMR Capital 2016	PTC Series A2	1.78	1.36	1.36	[ICRA]D(SO); Reaffirmed

*Instrument details are provided in Annexure I

Rationale

The pass-through certificates (PTCs) are backed by small group and Jana Kisan loan receivables originated by Jana Small Finance Bank Limited {JSFBL; rated [ICRA]A-(Stable)}. JSFBL is the servicer for the rated transactions.

The rating reflects the inadequacy of the collections and the available credit enhancement for meeting the promised payouts to the PTC investors on the scheduled maturity dates. The incremental collections in the pools have remained low and the PTCs remain in default. The collections in the pools were adversely impacted due to the financial crisis faced by the underlying borrowers after the demonetisation event.

Pool performance summary

Parameter	Smith IFMR Capital 2016	Goldstein IFMR Capital 2016	Syme IFMR Capital 2016	Oceania IFMR Capital 2016	Moses IFMR Capital 2016	Raphael IFMR Capital 2016	Leonardo IFMR Capital 2016
Payout month	December 2024	December 2024	December 2024	December 2024	December 2024	December 2024	December 2024
Months post securitisation	101	102	102	102	100	98	96
Pool amortisation	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
PTC Series A1 amortisation	100.0%	100.0%	100.0%	100.0%	100.0%	90.7%	100.0%
PTC Series A2 amortisation	32.0%	33.6%	21.8%	100.0%	1.2%	0.0%	23.8%
PTC Series A3 amortisation	NA	NA	NA	97.8%	NA	NA	NA
Cumulative cash collateral (CC) utilisation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Transaction structure

For all the transactions, interest to PTC investors was promised on a monthly basis and principal was expected to be paid every month but promised on final maturity date. The residual cash flows from the pool, after meeting the promised and expected payouts, were used for the prepayment of PTC principal. Further, all prepayment in the pools was used for the prepayment of PTC principal.

Key rating drivers and their description

Credit strengths

Not applicable

Credit challenges

Sustained weak collection performance in the pools - The collection performance of the underlying loans was healthy till the October 2016 collection month. However, post demonetisation, the monthly collection levels declined significantly. Collections from overdue contracts have also been poor.

Shortfall in meeting promised payouts - Pool collections together with available credit enhancement were insufficient to meet the promised payouts to the PTC investors on their respective maturity dates. Collections were also impacted in FY2021 due to the Covid-19 pandemic and subsequent lockdowns.

Key rating assumptions

Not applicable

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction Name	Smith IFMR Capital 2016	Goldstein IFMR Capital 2016	Syme IFMR Capital 2016	Oceania IFMR Capital 2016	Moses IFMR Capital 2016
Originator	Jana Small Finance Bank Limited				
Servicer	Jana Small Finance Bank Limited				
Trustee	Catalyst Trusteeship Limited				
CC Bank*	NA				
Collection and payout account Bank	RBL Bank	ICICI Bank		IDFC Bank	RBL Bank

* CC has been completely utilised

Transaction Name	Raphael IFMR Capital 2016	Leonardo IFMR Capital 2016
Originator	Jana Small Finance Bank Limited	
Servicer	Jana Small Finance Bank Limited	
Trustee	Catalyst Trusteeship Limited	
CC Bank*	NA	
Collection and payout account Bank	RBL Bank	

* CC has been completely utilised

Liquidity position: Poor

The CC available in the transactions has been completely utilised as of the scheduled maturity dates. Further payouts to the PTC investors are to be met through collections from the overdue loan contracts in the underlying pools. Considering the collection trend in recent months, the full repayment of the PTCs is unlikely in the near to medium term.

Rating sensitivities

Positive/Negative factors: Not applicable

Analytical approach

The rating action is based on the analysis of the performance of JSFBL's pools till the November 2024 collection month for the above-mentioned pools, the key characteristics and composition of the current pools, the performance expected over the balance tenure of the pools, and the credit enhancement cover available in the transactions.

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions Rating Methodology for Default Recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the originator

Jana Small Finance Bank Limited (erstwhile Janalakshmi Financial Services Limited) commenced operations as a non-banking financial company (NBFC) on March 4, 2008 and was later classified as an NBFC-microfinance institution (NBFC-MFI). It received a licence to set up a small finance bank on April 28, 2017 and commenced banking operations on March 28, 2018. Jana Holdings Limited, an NBFC-non-operative financial holding company (NBFC-NOFHC), with a 25.23% stake as on January 31, 2024 (post IPO stake of 22.54% in February 2024), is the promoter of JSFBL.

Exhibit 1: Key financial indicators (audited)

JSFBL	FY2023	FY2024	H1 FY2025*
Net interest income	1,660	2,127	1,204
Profit after tax	256	670	267
Total Assets	25,644	32,710	33,434
Gross NPAs	3.9%	2.0%	2.9%
CRAR	15.6%	20.3%	18.8%

Source: Company, ICRA Research

Amount in Rs. crore; *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				January 24, 2025	January 25, 2024	January 18, 2023	February 25, 2022
1 Smith IFMR Capital 2016	PTC Series A2	5.38	3.65	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				January 24, 2025	January 25, 2024	January 18, 2023	February 25, 2022
2 Goldstein IFMR Capital 2016	PTC Series A2	4.10	2.72	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				January 24, 2025	January 25, 2024	January 18, 2023	February 25, 2022
3 Syme IFMR Capital 2016	PTC Series A2	1.58	1.23	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
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				January 24, 2025	January 25, 2024	January 18, 2023	February 25, 2022
4 Oceania IFMR Capital 2016	PTC Series A3	20.56	0.45	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

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				January 24, 2025	January 25, 2024	January 18, 2023	February 25, 2022
5 Moses IFMR Capital 2016	PTC Series A2	7.26	7.17	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
		Initial Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				January 24 2025	January 25, 2024	January 18, 2023	February 25, 2022
6	Raphael IFMR Capital 2016	PTC Series A1	37.02	3.42	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)
		PTC Series A2	2.06	2.06	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

Trust Name	Instrument	Current Rating (FY2025)		Chronology of Rating History for the Past 3 Years			
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				January 24, 2025	January 25, 2024	January 18, 2023	February 25, 2022
7	Leonardo IFMR Capital 2016	PTC Series A2	1.78	1.36	[ICRA]D(SO)	[ICRA]D(SO)	[ICRA]D(SO)

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Smith IFMR Capital 2016	PTC Series A2	Moderately Complex
Goldstein IFMR Capital 2016	PTC Series A2	Moderately Complex
Syme IFMR Capital 2016	PTC Series A2	Moderately Complex
Oceania IFMR Capital 2016	PTC Series A3	Moderately Complex
Moses IFMR Capital 2016	PTC Series A2	Moderately Complex
Raphael IFMR Capital 2016	PTC Series A1	Moderately Complex
	PTC Series A2	Moderately Complex
Leonardo IFMR Capital 2016	PTC Series A2	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

Trust Name	Instrument	Date of Issuance	Coupon Rate (p.a.p.m.)	Scheduled Maturity Date	Current Amount Rated (Rs. crore)	Current Rating
Smith IFMR Capital 2016	PTC Series A2	June 30, 2016	14.00%	February 01, 2018	3.65	[ICRA]D(SO)
Goldstein IFMR Capital 2016	PTC Series A2	June 29, 2016	14.00%	January 17, 2018	2.72	[ICRA]D(SO)
Syme IFMR Capital 2016	PTC Series A2	July 05, 2016	14.00%	January 19, 2018	1.23	[ICRA]D(SO)
Oceania IFMR Capital 2016	PTC Series A3	June 30, 2016	14.00%	February 20, 2018	0.45	[ICRA]D(SO)
Moses IFMR Capital 2016	PTC Series A2	July 29, 2016	14.00%	March 01, 2018	7.17	[ICRA]D(SO)
Raphael IFMR Capital 2016	PTC Series A1	September 30, 2016	10.10%	June 30, 2018	3.42	[ICRA]D(SO)
	PTC Series A2		14.00%		2.06	[ICRA]D(SO)
Leonardo IFMR Capital 2016	PTC Series A2	December 31, 2016	14.00%	September 21, 2018	1.36	[ICRA]D(SO)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

Corrigendum:

Document dated January 24, 2025 has been corrected with revision as detailed below:

Section where the revision is made:

Exhibit 1: Key financial indicators (audited)

Revision made:

The heading “Total Income” has been changed to “Net interest income” and its amount for H1FY2025 has been updated from Rs. 594 crore to Rs. 1,204 crore. The heading “Assets under management” has been changed to “Total assets”.

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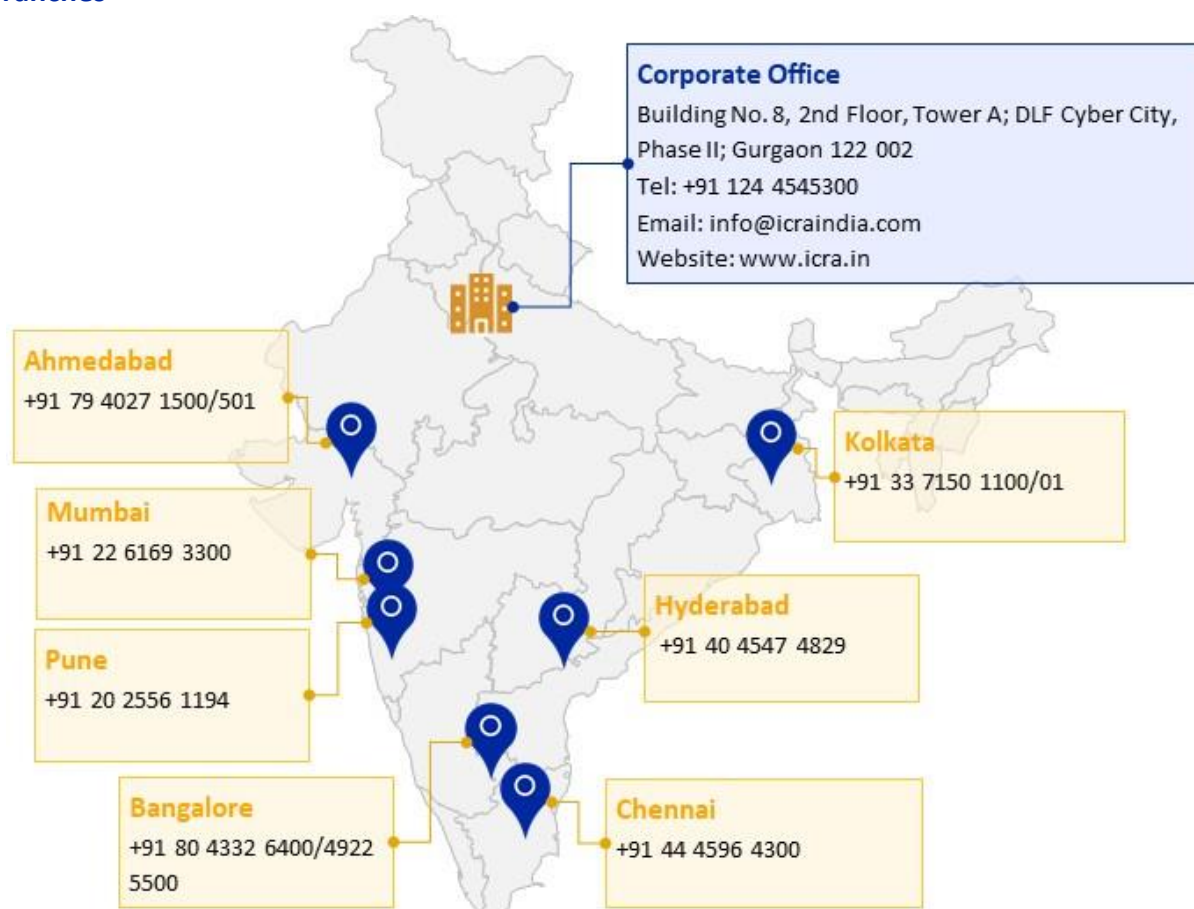
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