

## Jana Small Finance Bank Limited

September 05, 2018

### Summary of Rated Instrument

| Trust Name                | Instrument*   | Initial Amount (Rs. crore <sup>1</sup> ) | Amount O/s after last surveillance (Rs. crore) | Amount O/s after Jul-18 Payout (Rs. crore) | Rating action         |
|---------------------------|---------------|------------------------------------------|------------------------------------------------|--------------------------------------------|-----------------------|
| Oceania IFMR Capital 2016 | PTC Series A2 | 174.72                                   | 9.77                                           | 0.00                                       | [ICRA]D(SO) Withdrawn |

\*Instrument details are provided in Annexure I

### Rating Action

ICRA has withdrawn the ratings for PTC Series A2 issued under a micro loan securitisation transaction originated by Jana Small Finance Bank Limited, as tabulated above.

### Rationale

As per conformation received from the trustee, all the payouts to the investors in the above-mentioned instrument has been made and no further payments are due to the investors.

### Key rating drivers

### Credit Strengths

- N.A.

### Credit Weakness

- N.A.

### Description of key rating drivers highlighted above:

N.A.

### Key rating assumptions

N.A.

### Analytical approach:

N.A.

### Links to applicable Criteria

[ICRA's Policy on Withdrawal and Suspension of Credit Rating](#)

<sup>1</sup> 100 lakh = 1 crore = 10 million

## About the company:

Jana Small Finance Bank (Erstwhile Janalakshmi Financial Services Ltd (JFSL)) is a Bangalore-based NBFC-MFI catering to the financial needs of urban poor women through the Joint Liability Mechanism. The company was founded in 2006 by Mr. Ramesh Ramanathan as Janalakshmi Social Services (JSS), whose portfolio was taken over by JFSL in 2008. The promoter shareholding continues to be in JSS (now called Jana Urban Foundation or JUF); the corpus funds in JUF are used for social activities.

As on February 2018, JFSL had a portfolio of about Rs. 7,742 crore. The company has a diversified presence across 18 states and 2 union territories in India with the share of the top 3 states of Tamil Nadu, Karnataka and Maharashtra comprising of about 50% of the overall portfolio as on February 2018. JFSL registered a high compounded growth of 110% over the last four years ended FY2017. The company raised Rs. 1,030 crore equity during Apr-Nov 2017 from existing and new investors.

In FY2017, JFSL reported a net profit of Rs. 170.0 crore on a total managed asset base of Rs. 15,729.8 crore as against a net profit of Rs. 160.3 crore on a total managed assets base of Rs. 13,345 crore during FY2016. During H1FY2018, JFSL reported a loss of Rs.1,192 crore on a managed asset base of Rs. 10,332 crore.

ICRA has rated twelve standalone JFSL transactions till date backed by Small Group (SG) loans, Enterprise Financial Services (EFS) loans, Nano loans and Jana Kisan (JK) loans. Out of these, three transactions have matured.

## Key financial indicators (audited)

|                      | FY2017 | FY2018   |
|----------------------|--------|----------|
| Total Income         | 2,978  | 1,597    |
| PAT                  | 170    | (2,504)  |
| Net worth            | 2,397  | (1,529)  |
| Total Managed Assets | 15,730 | 10,147   |
| Return on Net worth  | 9.4%   | (127.6%) |
| Gearing              | 4.97   | 5.01%    |
| Gross NPA %          | 0.7%   | 42.2%    |
| Net NPA %            | 0.5%   | 27.7%    |
| CAR %                | 23.9%  | 34.7%    |

Source: ICRA research and company

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

**Any other information:** None

## Rating history for last three years:

**Table:**

| S.No | Name of Instrument        | Type          | Current Rating                    |                                 | Month-year & Rating    | Chronology of Rating History for the past 3 years |               |                |                 |              |                          |
|------|---------------------------|---------------|-----------------------------------|---------------------------------|------------------------|---------------------------------------------------|---------------|----------------|-----------------|--------------|--------------------------|
|      |                           |               | Initial Rated amount (Rs. Crores) | Amount outstanding (Rs. Crores) |                        | Month- year & Rating                              |               |                |                 |              |                          |
|      |                           |               |                                   |                                 |                        | September 2018                                    | February 2018 | Nov 2017       | July 2017       | April 2017   | July 2016                |
| 1    | Oceania IFMR Capital 2016 | PTC Series A2 | 174.72                            | Nil                             | [ICRA]D (SO) Withdrawn | [ICRA]D (SO)                                      | [ICRA]B (SO)  | [ICRA]BB+ (SO) | [ICRA]BBB+ (SO) | [ICRA]A (SO) | Provisional [ICRA]A (SO) |

\* Initial Rating assigned

## Complexity level of the rated instrument: Highly Complex

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 I

### Details of Instruments

| Sl. | Trust Name                | Instrument    | Date of Issuance | Coupon Rate (p.a.) | Scheduled Maturity Date | Rated Amount (Rs. crore <sup>2</sup> ) | Current Rating        |
|-----|---------------------------|---------------|------------------|--------------------|-------------------------|----------------------------------------|-----------------------|
| 1   | Oceania IFMR Capital 2016 | PTC Series A2 | Jun-16           | 10.69%             | Feb-18                  | Nil                                    | [ICRA]D(SO) Withdrawn |

<sup>2</sup> 100 lakh = 1 crore = 10 million

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For more information, visit [www.icra.in](http://www.icra.in)

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