Jana Small Finance Bank Limited

January 18, 2019

Summary of Rated Instrument

Trust Name	Instrument*	Initial Amount (Rs. crore[1])	Amount O/s after last surveillance (Rs. crore)	Amount O/s after Dec-18 Payout (Rs. crore)	Rating action
Syme IFMR Capital 2016	PTC Series A1	50.00	1.79	0.00	[ICRA]D(SO) Withdrawn
Moses IFMR Capital 2016	PTC Series A1	134.99	5.59	0.00	[ICRA]D(SO) Withdrawn
Leonardo IFMR Capital 2016	PTC Series A1	32.05	0.74	0.00	[ICRA]D(SO) Withdrawn

**Instrument details are provided in Annexure I*

Rating Action

ICRA has withdrawn the ratings for PTC Series A1 issued under 3 micro loan securitisation transactions originated by Jana Small Finance Bank Limited, as tabulated above.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 instruments have 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.

Performance of past rated pools: ICRA has rated 12 pools originated by Jana Small Finance Bank Limited (Erstwhile Janalakshmi Financial Services Ltd) and has ratings outstanding on 7 pools as on 31st December 2018. All the live pools have defaulted on the payments promised to PTC investors.
Liquidity Position: N.A.

[1] *100 lakh = 1 crore = 10 million*

Key rating assumptions

N.A.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

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:

Instrument	Current Rating (FY2019) Type	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating Jan-19	Chronology of Rating History for the past 3 years: Date & Rating in FY2018 Jan-18	Nov-17	Jul-17	Apr-17	Date & Rating in FY2017 Oct-16	Jul-16*
Syme IFMR Capital 2016	PTC Series A1	50.00	Nil	[ICRA]D (SO) Withdrawn	[ICRA]D(SO)	[ICRA]C+(SO)	[ICRA]BB- (SO)	[ICRA] BBB- (SO)	[ICRA]A- (SO)	Provisional [ICRA]A- (SO)

** Initial Rating assigned*

Instrument	Current Rating (FY2019) Type	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating Jan-19	Chronology of Rating History for the past 3 years: Date & Rating in FY2018 Mar-18	Nov-17	Jul-17	Apr-17	Date & Rating in FY2017 Oct-16	Aug-16*
Moses IFMR Capital 2016	PTC Series A1	134.99	Nil	[ICRA]D (SO) Withdrawn	[ICRA]D(SO)	[ICRA]C+(SO)	[ICRA]BB (SO)	[ICRA]BBB (SO)	[ICRA]A (SO)	Provisional [ICRA]A(SO)

** Initial Rating assigned*

Instrument	Current Rating (FY2019) Type	Initial Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating Jan-19	Chronology of Rating History for the past 3 years: Date & Rating in FY2018 Sep-18	May-17	Nov-17	Jul-17	Date & Rating in FY2017 Feb-17	Jan-17*
Leonardo IFMR Capital 2016	PTC Series A1	32.05	Nil	[ICRA]D (SO) Withdrawn	[ICRA]D(SO)	[ICRA]C+ (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

Annexure I

Details of Instruments

Sl.	Trust Name	Instrument	Date of Issuance	Coupon Rate (p.a.)	Scheduled Maturity Date	Rated Amount (Rs. crore[2])	Current Rating
1	Syme IFMR Capital 2016	PTC Series A1	Jun-16	10.00%	Jan-18	Nil	[ICRA]D(SO) Withdrawn
2	Moses IFMR Capital 2016	PTC Series A1	Jul-16	10.20%	Mar-18	Nil	[ICRA]D(SO) Withdrawn
3	Leonardo IFMR Capital 2016	PTC Series A1	Dec-16	9.75%	Sep-18	Nil	[ICRA]D(SO) Withdrawn

[2] *100 lakh = 1 crore = 10 million*

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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