

8 May, 2014

**CARE ASSIGNS FINAL RATING TO PTC SERIES A ISSUED BY INDIAN MICROFINANCE
LOAN RECEIVABLES TRUST MARCH 2014 E BACKED BY MICROFINANCE LOAN
RECEIVABLES ORIGINATED BY SKS MICROFINANCE LIMITED AND
JANALAKSHMI FINANCIAL SERVICES PVT LTD**

Ratings

Instrument	PTC Principal Outstanding (Rs. Crore)	Ratings ¹	Remarks
Series A PTCs	161.50	CARE A+ (SO) [CARE Single A Plus (Structured Obligation)]	Final rating

Rating Rationale

The provisional rating of 'CARE A+ (SO)' was assigned to the Series A PTCs issued by Indian Microfinance Loan Receivables Trust March 2014 E (IMLRT March 2014 E). The rating is now confirmed and final rating of CARE A+ (SO) is assigned to Series A PTCs. Since the copies of all the transaction documents duly executed in accordance with the structure mentioned in the provisional rating letter along with legal opinion and due diligence audit report are furnished by the originators (SKSML and JFSPL), to the satisfaction of CARE.

Background: SKS Microfinance Ltd. (SKSML)

SKS Microfinance Ltd. (SKSML) is India's leading microfinance institution, providing small value loans and certain other basic financial services to individuals, who are primarily women. It is registered as an NBFC with RBI and its operations are spread over 17 states of India (excluding Andhra Pradesh) with 1,254 branches and has around 45 lakh borrowers. As on September 30, 2013 SKSML had an outstanding loan portfolio (including managed portfolio) of Rs. 2,029 crore and net worth of Rs.411 crore. SKSML reported income of Rs.258crore and profit after tax of Rs.21 crore for H1FY14 (refers to the period April to September). As on September 30, 2013, SKSML reported CRAR at 31.0%.

Background: Janalakshmi Financial Services Pvt. Ltd. (JFSPL)

Janalakshmi Financial Services Pvt. Ltd. (JFSPL) is a Microfinance Institution promoted by the promoters of JSS (Janalakshmi Social Services), which is a Section 25 company engaged in SHG Promotion, microfinance and other community Development Initiatives. JSS had earlier acquired the urban microfinance programme of Sanghamithra Rural Financial Services (SRFS) and had commenced its own microfinance programme in July 2006.JSS acquired a Non-Banking Finance Company JFSPL in 2008 and transferred its microfinance portfolio to JFSPL with effect from April 1, 2008. It promotes JLG consisting of women members and operating in urban areas. The loans provided are based on the mutual guarantee from members. As on September 30, 2013 it had 10.24 lakhs individual borrowers with a total outstanding portfolio of Rs.1,407.52 crore. JFSPL is currently operating in 49 districts spread across 12 states. JFSPL reported income of Rs.166.24 crore and profit after tax of Rs.19.21 crore for H1FY14 (refers to the period April to September). As on September 30, 2013, JFSPL reported CRAR at 37.16%.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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