

No.CTL/DEB/17-18/Noting Certificate

November 14, 2017

To Whomsoever It May Concern,

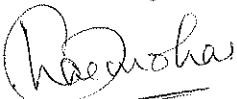
CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited ("**Debenture Trustee**") hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("**Regulations**"), provided to us by **Fincare Small Finance Bank Limited** ("**the Company**") for the Half year ended September 30, 2017.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorised Signatory



Encl: Results submitted by Company



Walker Chandlok & Co LLP

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Review Report on Half yearly Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Fincare Small Finance Bank Limited (*formerly Disha Microfin Limited*)

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Fincare Small Finance Bank Limited (*formerly Disha Microfin Limited*) ("the Company") for the half year ended 30 September 2017. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with applicable accounting standards, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circulars CIR/IMD/DFI/9/2015 dated 27 November 2015 and CIR/IMD/DFI/69/2016 dated 10 August 2016, other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Walker Chandlok & Co. LLP
For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Sanjay Banthia
per Sanjay Banthia
Partner
Membership No.: 061068

Bengaluru
14 November 2017



Fincare Small Finance Bank Limited

(formerly Disha Microfin Limited)

Unaudited Statement of financial results for the year ended 30 September 2017

(₹ in Lakhs)

Particulars	Half year ended 30 Sep 2017 Un-Audited	Half year ended 30 Sep 2016 Un-Audited	Year ended 31 March 2017 Audited
1 Interest earned			
(a) Interest on loans and advances	10,104	4,377	13,468
(b) Income on investments	907	101	458
(c) Interest on balances with Reserve Bank of India and other inter bank funds	74	-	-
(d) Others	2,208	2,180	4,382
2 Other income	13,293	6,658	18,308
3 Total Income (1+2)	61	161	246
4 Interest expended	13,354	6,819	18,554
5 Operating expenses			
(i) Employee cost	4,879	2,448	7,164
(ii) Rent	5,322	1,412	5,241
(iii) Depreciation and amortisation	379	190	479
(iv) Others	202	64	257
- Legal and professional fees	321	553	1,550
- Other expenses	974	476	1,474
6 Total Expenditure (4+5) excluding provisions and contingencies	12,077	5,143	16,165
7 Operating Profit before Provisions and Contingencies (3-6)	1,277	1,676	2,389
8.a Provisions (including standard asset provision) and contingencies	(333)	440	347
8.b Write off	8,822	-	735
9 Exceptional items	-	-	-
10 Profit from ordinary activities before tax (7-8-9)	(7,212)	1,236	1,307
11 Tax expense	771	427	439
12 Net profit from ordinary activities after tax (10-11)	(7,983)	809	868
13 Extraordinary items (net of tax expense)	-	-	-
14 Net profit for the period (12-13)	(7,983)	809	868
15 Paid-up equity share capital (Face value of the share is ₹ 10 each)	3,746	1,665	3,746
16 Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	39,764	3,387	3,387
17 Analytical Ratios			
(i) Capital adequacy ratio	27.04%	18.01%	48.44%
(ii) Earnings per share (EPS)			
- Basic and Diluted	(21.31)	5.24	3.91
18 NPA ratios			
a) percent of Gross NPA to Gross advances	1.86%	0.28%	0.76%
b) percent of Net NPA to Net advances	1.43%	0.03%	0.38%
c) Return on Assets (PAT/ Average total assets*)	-5.40%	1.62%	1.15%

* Represents the average of opening and closing total assets.

FINCARE SMALL FINANCE BANK LIMITED

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 Phone: +91-80-42504444

www.fincarebank.com

CIN No. U67120GJ1995PLC025373



Fincare Small Finance Bank Limited*(formerly Dishu Microfin Limited)***Unaudited Statement of financial results for the year ended 30 September 2017****Notes:**

1. The above unaudited financial results ("Statement") of Fincare Small Finance Bank Limited ("Bank" or "FSFBL") for the six months ended 30 September 2017 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 November 2017.

2. The statutory auditors have carried out limited review of the unaudited financial results as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have issued an unqualified opinion thereon.

3. These unaudited financial results are prepared in compliance with the generally accepted accounting principles in India (Indian GAAP). They do not include all of the information required in annual financial statements in accordance with Schedule III and accounting standards notified under Section 133 of the Companies Act 2013. Accordingly, the unaudited financial results should be read in conjunction with the audited financial statements and related notes included in FSFBL's annual report for the year ended 31 March 2017. The accounting policies applied are consistent with the policies that were applied for the preparation of the financial statements for the year ended 31 March 2017.

4. Pursuant to business transfer agreement dated 13 April 2016, approved by the Board of Directors in their meeting held on 11 April 2016 and by the shareholders on 12 April 2016, FSFBL acquired the assets and liabilities of Future Financial Services Private Limited (FFSPL) via Slump sale agreement effective 2 October 2016 for a cash consideration of ₹ 13,701 lakhs, including adjustment in respect of movement between 31 March 2016 and 30 September 2016.

Pursuant to the resolution passed by the Board of Directors in their meeting held on 23 January 2015, and issue of small finance bank license by the RBI on 12 May 2017, FSFBL was converted into a small finance bank with effect from 21 July 2017 and surrendered its NBFC-MFI License. Further, FSFBL applied the relevant regulatory requirements as applicable to Bank, in respect of various matters such as revenue recognition for certain elements of income, identification and provisioning of NPA, etc.

As a result of aforesaid reasons, the previous period/year figures are not strictly comparable with those of the current year.

5. As at 30 September, 2017, FSFBL has a total provision against NPA of ₹ 475 lakh (31 March 2017 : ₹ 305 lakh). The accounting policy of the Bank with regard to provisioning on micro finance loan portfolio has been aligned during the half year ended 30 September 2017 with the relevant requirements of prudential norms on income recognition, asset classification and provisioning pertaining to advances applicable to Banks as per RBI Circular 'DBR.No.BP.BC.2/21.04.048/2015-16 dated 1 July 2015, with effect from 1 April 2017. Consequent to this change, the accounting estimate has been revised resulting in the aggregate provision for NPA being higher by ₹ 167 lakhs and net results of the half year ended 30 September 2017 being lower by ₹ 167 lakhs.

As a result of demonetisation, the Bank's collection rates against the portfolio outstanding prior to demonetisation has been severally reduced. Therefore, during the period, the Bank has written off loans outstanding for greater than 180 delinquency period days ("DPD"), aggregating to ₹ 8,822 lakh in respect of unsecured loans given to Joint Liability Groups and secured loans given in the rural segment.

6. The capital adequacy ratio ('CRAR') as on 30 September 2017 has been computed in accordance with the RBI Master Circular No.DBOD.BP.BC.9/21.06.001/2013-14 dated 1 July 2013 on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF).


7. EPS and other ratios disclosed for the half year ended 30 September 2017 and 30 September 2016 are not annualised.


8. FSFBL is primarily engaged in the business of rural and micro credit in India which is considered to be the only reportable business segment as per Accounting Standard (AS) 17 on Segment Reporting. FSFBL operates primarily in India and there is no other significant geographical segment.

9. During the half year ended 30 September 2017, FSFBL has issued 250 rated, listed, redeemable, non convertible debentures at ₹ 1,000,000 each at a coupon rate of 10.75% and 250 subordinated, rated, listed, redeemable, non convertible debentures at ₹ 1,000,000 each at a coupon rate of 12.60% to AK Capital Finance Private Limited.

10. During the half year ended 30 September 2017, the Company did not recognize deferred tax asset on the carried forward losses and unabsorbed depreciation aggregating to ₹ 8,037 lakhs as a matter of prudence and on account of lack of virtual certainty as required by Accounting Standards (AS) 22, Accounting for Taxes on Income.

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Fincare Small Finance Bank Limited


(formerly Disha Microfin Limited)

Unaudited Statement of financial results for the year ended 30 September 2017

Notes (cont'd):

11. The Bank is in the process of obtaining the Scheduled Bank status from Reserve Bank of India.
12. Gross NPA ratio refers to the ratio of gross unassigned non performing loan assets to gross unassigned loan assets.
13. Net NPA ratio refers to the ratio of gross unassigned non performing assets net of provision on unassigned non performing loans to gross unassigned loan assets net of provision on unassigned loans.
14. Amounts for the previous years have been regrouped/reclassified, wherever necessary, to correspond with the current period's classification/disclosures.

For and on behalf of the Board of Directors



Rajdev Yadav
Director
DIN: 00111379

Bengaluru
14 November 2017



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Fincare Small Finance Bank Limited
(formerly Disha Microfin Limited)
Unaudited Balance sheet as at 30 September 2017

	As at 30 September 2017 Unaudited ₹	(₹ in Lakhs) As at 31 March 2017 Audited ₹
CAPITAL AND LIABILITIES		
Capital	3,746	3,746
Reserves and surplus	31,781	39,764
Deposits	30,214	-
Borrowings	100,153	63,110
Other liabilities and provisions	9,822	13,489
	175,716	120,109
ASSETS		
Cash and balances with Reserve Bank of India	1,829	73
Balances with banks and money at call and short notice	12,446	30,914
Investments	42,536	-
Advances	109,111	79,089
Fixed assets	1,777	1,351
Other assets	8,017	8,682
	175,716	120,109

For and on behalf of the Board of Directors



Rajeev Yadav
 Director
 DIN: 00111379

 Bengaluru
 14 November 2017

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Unaudited statement of financial results for the half year ended 30 September 2017
Annexure I

Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1 Credit rating:

Deposit instrument	Name of rating agency	Rating assigned
Non-Convertible Debentures	CARE Ratings Limited	CARE A- (Stable)
Term loans	CARE Ratings Limited	CARE A- (Stable)

There has been no change in the aforesaid rating from the previous period.

2 Debt-Equity ratio:

Debt-Equity ratio of the Company as on 30 September 2017 is 2.82 as per Unaudited Financial Results of the Company.

3 Previous due date for payment of principal/interest on Non Convertible Debentures ("NCDs")

NCD	ISIN number	Due date (from 01 April 2017 to 30 September 2017)	
		Principal	Interest
Hinduja Leyland Finance Limited	INE519Q08012	Not due	17-Jul-17
IFMR Capital Finance Private Limited	INE519Q08012	Not due	17-Jul-17
Jibralter Traders Limited	INE519Q08012	Not due	17-Jul-17
A. K. Capital Finance Private Limited	INE519Q08020	Not due	29-Aug-17
A. K. Capital Finance Private Limited	INE519Q08020	Not due	29-Aug-17
A. K. Capital Finance Private Limited	INE519Q08046	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08053	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08061	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08079	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08087	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08095	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08103	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08111	Not due	31-Aug-17
A. K. Capital Finance Private Limited	INE519Q08129	Not due	31-Aug-17

The Company has paid the interest and principal on NCDs on the respective due dates mentioned above.

4 Next due date for payment of principal/interest on Non-convertible Preference Shares - Not applicable.
5 Outstanding redeemable preference shares - Not applicable.
6 Debenture Redemption Reserve (DRR) - No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.
7 Net worth as on 30 September 2017 - ₹ 35,527 lakhs
8 Net loss after tax - ₹ 7,983 lakhs
9 Earnings per share - ₹ (21.31) per share
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For and on behalf of the Board of Directors

Rajeev Yadav

Director

DIN: 00111379

Place: Bengaluru

Date: 14 November 2017

