

No. CTL/DEB/20-21/Noting Certificate/2977

November 12, 2020

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, 2020.

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*





11<sup>th</sup> November, 2020

To,

**BSE Limited**

Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai-400001

Dear Sir/Madam,

**Subject: Submission of half yearly financial results under Regulation 52 of the SEBI  
(Listing Obligations and Disclosure Requirement) Regulations, 2015**

**Scrip Code: 956462, 957863, 957864 and 959025**

Pursuant to the provisions of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we would like to inform you that the Board of Directors of Fincare Small Finance Bank Limited at their meeting held on 11<sup>th</sup> November, 2020 has approved the unaudited financial results of the Company for the half-year ended on 30<sup>th</sup> September, 2020.

Please find enclosed herewith the unaudited financial results of the Company for the half-year ended on 30<sup>th</sup> September, 2020 along with the limited review report by the Statutory Auditors.

You are requested to take the same on your records.

Yours faithfully,

***For Fincare Small Finance Bank Limited***

SHEFALY P  
KOTHARI

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SHEFALY P KOTHARI  
Date: 2020.11.11  
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***Shefaly Kothari***  
***Company Secretary***

**FINCARE SMALL FINANCE BANK LIMITED**

Registered Office: 301-306, 3rd Floor, ABHIJEET -V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhali, Ahmedabad-380006, Gujarat

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru-560035, Karnataka  
[www.fincarebank.com](http://www.fincarebank.com)

CIN: U67120GJ1995PLC025373

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Walker Chandniok & Co LLP

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India

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**Independent Auditor's Review Report on Unaudited Half Yearly Financial Results and Year to Date Results of the Bank pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Fincare Small Finance Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **Fincare Small Finance Bank Limited** ('the Bank') for the half year ended 30 September 2020, being submitted by the Bank pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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 RBI in respect of income recognition, asset classification, provisioning and other related matters.

## Walker Chandniok & Co LLP

**Fincare Small Finance Bank Limited**

**Independent Auditor's Review Report on Unaudited Half Yearly Financial Results and Year to Date Results of the Bank pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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5. We draw attention Note 5 to the accompanying Statement, which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic including the moratorium period offered to borrowers as directed by the Reserve Bank of India. In view of these uncertainties, the impact of the pandemic on the Bank's operations and financial metrics will depend on future developments which are highly uncertain at this time.

Our conclusion is not modified in respect of this matter.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**MANISH**

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MANISH ANILKUMAR

**ANILKUMAR**

GUJRAL

**GUJRAL**

Date: 2020.11.11 18:38:13  
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**Manish Gujral**

Partner

Membership No:105117

**UDIN:20105117AAAAGX7700**

Place: Mumbai

Date: 11 November 2020

**Fincare Small Finance Bank Limited**  
 Unaudited Profit and Loss account for the half year ended 30 September 2020

(₹ in lakhs)

| Particulars   | Half year ended<br>30 September 2020<br>(Un-audited) | Half year ended<br>30 September 2019<br>(Un-audited) | Year ended<br>31 March 2020<br>(Audited) |
|---|--|--|--|
| <b>I. Income</b>  |  |  |  |
| Interest earned   | 64,045   | 47,463   | 1,07,026                                 |
| Other income  | 3,086  | 5,105  | 14,546                                   |
| <b>Total Income</b>   | <b>67,131</b>  | <b>52,568</b>  | <b>1,21,572</b>                          |
| <b>II. Expenditure</b>  |  |  |  |
| Interest expended   | 28,464   | 19,931   | 45,150                                   |
| Operating expenses  | 21,259   | 19,566   | 42,613                                   |
| Provision and contingencies                                   | 8,364  | 5,472  | 19,464                                   |
| <b>Total expenditure</b>                                      | <b>58,087</b>  | <b>44,971</b>  | <b>1,07,227</b>                          |
| <b>III. Profit</b>  |  |  |  |
| Net profit for the period/year                                | 9,044  | 7,597  | 14,345                                   |
| Balance In profit and loss brought forward from previous year | 9,707  | (618)  | (618)                                    |
| <b>Total profit</b>   | <b>18,751</b>  | <b>6,979</b>   | <b>13,727</b>                            |
| <b>IV. Appropriation/transfer</b>                             |  |  |  |
| Transfer to statutory reserves                                | -  | -  | 3,587                                    |
| Transfer to other reserves                                    | 458  | 189  | 433                                      |
| Transfer to capital reserves                                  | -  | -  | -  |
| Balance carried over to balance sheet                         | 18,293   | 6,791  | 9,707                                    |
| <b>Total</b>  | <b>18,751</b>  | <b>6,979</b>   | <b>13,727</b>                            |


**Earnings per equity share of ₹10 each**


|                          |       |       |       |
|--------------------------|-------|-------|-------|
| Basic and diluted (₹)    | 14.22 | 13.46 | 24.43 |
| Face value per share (₹) | 10.00 | 10.00 | 10.00 |

**Unaudited Balance Sheet as at 30 September 2020**

| Particulars  | As at<br>30 September 2020<br>(Un-audited) | As at<br>31 March 2020<br>(Audited) |
|--|--|-------------------------------------|
| <b>Capital and liabilities</b>                         |  |                                     |
| Capital  | 6,361                                      | 6,361                               |
| Reserves and surplus                                   | 93,060                                     | 84,016                              |
| Deposits   | 5,25,904                                   | 4,65,393                            |
| Borrowings   | 1,12,567                                   | 1,36,816                            |
| Other liabilities and provisions                       | 30,154                                     | 19,041                              |
| <b>Total Capital and Liabilities</b>                   | <b>7,68,046</b>                            | <b>7,11,627</b>                     |
| <b>Assets</b>  |  |                                     |
| Cash and balances with Reserve Bank of India           | 78,150                                     | 1,05,853                            |
| Balances with banks and money at call and short notice | 25,143                                     | 2,437                               |
| Investments  | 1,29,965                                   | 1,00,696                            |
| Advances   | 4,94,531                                   | 4,81,558                            |
| Fixed assets   | 3,568                                      | 4,036                               |
| Other assets   | 36,689                                     | 17,047                              |
| <b>Total Assets</b>                                    | <b>7,68,046</b>                            | <b>7,11,627</b>                     |
| Contingent liabilities                                 | 327  | 1,836                               |
| Bills for collection                                   | -  | -                                   |

**FINCARE SMALL FINANCE BANK LIMITED**

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Law Garden Road, Mithakhali, Ahmedabad - 380006  
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 **Head Office:** # 835/39, 5th Floor, Bren Mercury, Kalkondanahalli,  
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 [www.fincarebank.com](http://www.fincarebank.com)

CIN No. U67120GJ1995PLC025373

## Fincare Small Finance Bank Limited

### Notes

- 1 The above un-audited financial results ('the Statement') of Fincare Small Finance Bank Limited ('the Bank') for the half year ended 30 September 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on 11 November 2020. Those results have been subjected to limited review by the statutory auditors of the Bank.
- 2 These un-audited financial results are prepared in compliance with the generally accepted accounting principles in India (Indian GAAP), statutory requirements prescribed under Banking Regulations Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('the RBI') from time to time and Regulation 52 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) 2015.
- 3 EPS disclosed for the half year ended 30 September 2020 and 30 September 2019 are not annualised.
- 4 There are no changes to the significant accounting policies adopted during the half year ended 30 September 2020 as compared to those followed for the year ended 31 March 2020.
- 5 i) The Novel Coronavirus (Covid-19) pandemic (declared as such by the World Health Organization on 11 March 2020), has contributed to a significant decline and volatility in the economic activity, in global and Indian markets. On 24 March 2020, the Indian government announced a 21-day nation-wide lockdown which was further extended by 46 days till 31 May 2020 across the country. Subsequently, the lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones.
  - ii) In accordance with the Reserve Bank of India (RBI) guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Bank has granted a moratorium of three months on the payment of all instalments and/or interest, as applicable, falling due between 01 March 2020 and 31 May 2020 to all eligible borrowers. In line with the additional Regulatory Package guidelines dated 23 May 2020, the Bank granted a second phase of three months moratorium on instalments and/or interest, as applicable, due between 01 June 2020 and 31 August 2020. The moratorium period wherever extended, shall be excluded from the number of days past due for the purpose of asset classification in respect of all accounts classified as standard as on 29 February 2020.
  - iii) In management's view, providing moratorium to borrowers at a mass scale based on the RBI directives, by itself is not considered to result in a significant increase in credit risk for such borrowers. The Bank has therefore made a provision amounting to INR 536 lakhs as per the RBI guideline-"COVID 19 Regulatory Package—Asset Classification and Provisioning" dated 17 April 2020. Further, the Bank has made an additional provision amounting to INR 12,182 lakhs owing to the potential impact of Covid-19 based on the information available as on date. The provision held by the Bank is in excess of the RBI prescribed provisioning norms.
  - iv) The quantitative disclosures as required by the RBI circular dated 17 April 2020 for the half year ended 30 September 2020 are given below:

| Particulars   | Amount |
|---|--------|
| 1) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the circular (as of 29 February 2020) | 4,787  |
| 2) Of the above, respective amounts where asset classification benefits is extended (as at September 2020)  | 3,886  |
| 3) Provision made in terms of paragraph 6 of the COVID-19 Regulatory Package  |        |
| -In Q4 FY2020   | 268    |
| -In Q1 FY 2021  | 268    |
| 4) Provision adjusted against slippages during the period ended 30 September 2020   |        |
| -In Q4 FY2020   | -      |
| -In Q1 FY 2021  | -      |
| 5) Residual provision held at the period ended 30 September 2020  |        |
| -In Q4 FY2020   | 268    |
| -In Q1 FY 2021  | 268    |

- 6 The Supreme Court, in a writ petition through its interim order dated 03 September 2020, has directed that accounts which were not declared as NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any account which was not NPA as of 31 August 2020 as per the RBI norms, as NPA after 31 August 2020.
- 7 Amounts for the previous year/period have been regrouped/reclassified, wherever necessary, to correspond with the current period's classification/disclosures.

For and on behalf of the Board of Directors of  
Fincare Small Finance Bank Limited  
(formerly Disha Microfin Limited)

**RAJEEV  
YADAV** Digitally signed by  
RAJEEV YADAV  
Date: 2020.11.11  
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**Rajeev Yadav**  
MD & CEO  
DIN: 00111379

Place: Bengaluru  
Date: 11 November 2020

Un-audited statement of financial results for the half year ended 30 September 2020

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 | ICRA Limited          | [ICRA] A (Stable)   |
| Term loans ( Long )        | ICRA Limited          | [ICRA] A (Stable)   |
| Term loans (Short )        | ICRA Limited          | [ICRA] A (Stable)   |
| Fixed Deposit              | ICRA Limited          | [ICRA] MA+ (Stable) |
| Certificate of Deposit     | CRISIL Limited        | CRISIL A1+          |
| Non-Convertible Debentures | CARE Ratings          | [CARE] A (Stable)   |
| Term loans ( Long )        | CARE Ratings          | [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 Bank as on 30 September 2020 is 1.13 as per un-audited Financial Results of the Bank.

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

| NCD                                       | ISIN number  | Due date (from 01 April 2020 to 30 September 2020) |           |
|---|--------------|--|-----------|
|   |              | Principal  | Interest  |
| 2500, 12.60% Debentures of ₹100,000 each  | INE519Q08020 | Not due  | 29-May-20 |
| 2500, 12.60% Debentures of ₹100,000 each  | INE519Q08020 | Not due  | 29-Aug-20 |
| 3700, 11.30% Debentures of ₹100,000 each  | INE519Q08145 | Not due  | 20-Sep-20 |
| 3800, 11.30% Debentures of ₹100,000 each  | INE519Q08137 | Not due  | 22-Sep-20 |
| 1000, 12.87% Debenture of ₹10,00,000 each | INE519Q08152 | Not due  | 30-Sep-20 |

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 The Novel Coronavirus (Covid-19) pandemic (declared as such by the World Health Organization on 11 March 2020), has contributed to a significant decline and volatility in the economic activity, in global and Indian markets. On 24 Mar 2020, the Indian government announced a 21-day nation-wide lockdown which was further extended by 46 days till May 31, 2020 across the country. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones.**

**8 In accordance with the Reserve Bank of India (RBI) guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020, the Bank has granted a moratorium of three months on the payment of all instalments and/or interest, as applicable, falling due between 01 March 2020 and 31 May 2020 to all eligible borrowers. In line with the additional Regulatory Package guidelines dated 23 May 2020, the Bank granted a second three months moratorium on instalments and/or interest, as applicable, due between 01 June 2020 and 31 August 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning Norms).**

**9 In management's view providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk for such borrowers. The Bank has therefore made a provision amounting to INR 536 lakhs as per the RBI guideline-"COVID 19 Regulatory Package-Asset Classification and Provisioning" dated 17 April 2020. Further, the bank has made additional provision amounting to INR 12,182 lakhs owing to the potential impact of Covid-19 based on the information available as on date. The provision held by the Bank is in excess of the RBI prescribed provisioning norms.**

**FINCARE SMALL FINANCE BANK LIMITED**

 **Regd. Office:** 301-306, 3rd Floor, Abhijeet-V, Opp. Mayor's Bungalow, Law Garden Road, Mithakhall, Ahmedabad - 380006  
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CIN No. U67120GJ1995PLC025373

10 Further, The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 03 September 2020 ("Interim Order"), has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any account which was not NPA as of 31 August 2020 as per the RBI norms, as NPA after 31 August 2020. Further, in light of the Interim Order, even accounts that would have otherwise been classified as NPA post 31 August 2020 have not been and will not be, classified as NPA till such time that the Hon'ble SC rules finally on the matter.

11 **General provision for COVID 19 deferment cases as per the RBI COVID 19 Regulatory package**

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March, 2020 and 17 April, 2020, RBI permitted banks to grant a moratorium, on the payment of instalments and / or interest, falling due between March 1, 2020 and May 31, 2020, to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank accordingly extended the moratorium option to its borrowers in accordance with its Board approved policy. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of determining whether an asset is non-performing).

The quantitative disclosures as required by RBI circular dated 17 April 2020 for the half year ended 30 September 2020 are given below:

| Sr. No | Particulars  | Amount |
|--------|--|--------|
| 1      | Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the circular (as of 29 February 2020) | 4,187  |
| 2      | Of the above, respective amounts where asset classification benefits is extended (as at September 2020)  | 3,886  |
| 3      | Provision made during the period 30 September 2020   | 268    |
| 4      | Residual provision held at the period ended 30 September 2020  | 536    |

7 Net worth as on 31 March 2019- ₹ 94,655 lakhs

8 Net Profit after tax - ₹ 9,044 lakhs

9 Earnings per share - ₹ 14.22 per share

For and on behalf of the Board of Directors


Rajeev Yadav  
MD & CEO  
DIN: 00111379


RAJEEV  
YADAV

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RAJEEV YADAV  
Date: 2020.11.11  
17:54:23 +05'30'

Place: Bengaluru  
Date: 11 November 2019

**FINCARE SMALL FINANCE BANK LIMITED**

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