



**Date : 15<sup>th</sup> November 2017**

To,  
The Listing Compliance Department,  
BSE Ltd.,  
Mumbai - 400 001.

Dear Sir / Madam,

**Sub : Unaudited Financial Results for Half year period ended Year ended September 2017 with Limited under Regulation 52 of the SEBI (LODR) Regulations 2015. - Janalakshmi Financial Services Ltd. (Debt Listed)**

With reference to the captioned subject, please find attached the financial results in the Annexure II of SEBI circular no. CIR/IMD/DF1/9 /2015 dated 27 Nov 15.

Also, please note that the date of the board meeting is 15<sup>th</sup> November 2017.

**For Janalakshmi Financial Services Ltd.**

**Richa Saxena  
Company Secretary**



(All amounts in INR lakhs except otherwise stated)

Particulars	Half year ended		Year to Date	
	30-Sep-17	30-Sep-16	30-Sep-17	31-Mar-17
	Unaudited	Unaudited	Unaudited	Audited
<b>1. Interest earned (a)+(b)+(c)+(d)</b>	80,724.42	1,45,190.40	80,724.42	2,93,553.99
(a) Interest/disc. on advances/ bills	74,129.43	1,31,805.48	74,129.43	2,70,992.58
(b) Income on investments	2,355.16	6,318.16	2,355.16	2,559.62
(c) Interest on balances with Reserve Bank of India and other Interbank funds	2,309.00	989.30	2,309.00	9,680.31
(d) Others-Processing Charges	1,930.83	6,077.46	1,930.83	10,321.46
<b>2. Other Income</b>	882.38	2,895.77	882.38	4,289.90
<b>3. Total Income (1+2)</b>	81,606.80	1,48,086.17	81,606.80	2,97,843.88
<b>4. Interest Expended</b>	62,888.56	61,312.85	62,888.56	1,23,173.96
<b>5. Operating Expenses (i)+(ii)</b>	75,572.19	54,770.18	75,572.19	1,19,009.37
(i) Employees cost	32,916.32	22,943.75	32,916.32	48,668.78
(ii) Other operating expenses (All items exceeding 10% of the total expenditure excluding Interest expenditure may be shown separately)	42,655.87	31,826.43	42,655.87	70,340.59
<b>6. Total Expenditure ((4+5) excluding provisions and contingencies)</b>	1,38,460.75	1,16,083.04	1,38,460.75	2,42,183.33
<b>7. Operating Profit before Provisions and Contingencies (3-6)</b>	(56,853.96)	32,003.13	(56,853.96)	55,660.55
<b>8. Credit Costs, Provisions (other than tax) and Contingencies</b>	99,985.21	4,010.08	99,985.21	15,138.62
<b>9. Exceptional Items</b>	0.00	0.00	0.00	15,000.00
<b>10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)</b>	(1,56,839.16)	27,993.05	(1,56,839.16)	25,521.93
<b>11. Tax expense, net</b>	(37,640.47)	9,958.90	(37,640.47)	8,511.58
<b>12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)</b>	(1,19,198.69)	18,034.16	(1,19,198.69)	17,010.35
<b>13. Extraordinary Items (net of tax expense)</b>	0.00	0.00	0.00	0.00
<b>14. Net Profit (+)/ Loss (-) for the period (12-13)</b>	(1,19,198.69)	18,034.16	(1,19,198.69)	17,010.35
<b>15. Paid-up equity share capital (Rs.10 each fully paid up)</b>	57,446.44	549.29	57,446.44	2,746.44
<b>16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)</b>	-	-	-	2,36,922.37
<b>17. Analytical Ratios</b>				
(i) Capital Adequacy Ratio	17.48%	26.64%	17.48%	23.90%
(ii) Earnings Per Share (EPS) (amount in Rs.)*				
Basic	(434.01)	83.25	(434.01)	62.38
Diluted	(432.99)	83.25	(432.99)	62.38
<b>18) NPA Ratios</b>				
a) Net NPA	1,76,052.95	4,325.19	1,76,052.95	6,443.00
b) % of Net NPA	20.18%	0.41%	20.18%	0.55%
c) Gross NPA	2,96,654.00	5,475.00	2,96,654.00	8,177.00
d) % of Gross NPA	29.87%	0.51%	29.87%	0.69%
e) Return on Assets	(17.58%)	2.79%	(17.58%)	1.28%

\* not annualised

- Notes:**
- The Company is engaged in the business of micro finance and is a Non-Banking Financial company registered with Reserve Bank of India.
  - In accordance with Regulation 52 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, half yearly financial statements were reviewed by the Audit Committee and taken on record by the Board of Directors of the company at its meeting held on November 15, 2017. These results have been subjected to "Limited Review" by the Statutory Auditor of the company and unqualified review report has been issued thereon.
  - The figures for the half year ended September 30, 2016 and for the year ended March 31, 2017 were reviewed/audited by previous statutory auditor.
  - During the current half year ended September 30, 2017, the Company has changed the appropriation basis of recovery from NPA accounts effective April 1, 2017 for all products. As per the previous appropriation basis, the recovery from the NPA accounts was adjusted against the principal outstanding & balance if any towards the interest outstanding. As per the new basis, the recovery from the NPA accounts are now proportionately adjusted against principal and interest portion. The impact of this change has resulted in profit before tax higher by Rs. 5,000 lakhs for the period ended September 30, 2017.
  - The Company has followed the same significant accounting policies & estimates in the preparation of the financial results as those followed in the annual financial statements for the year ended March 30, 2017, except for the below:
    - Change in Provisioning Policy : The Company has received an in-principle approval for transition to Small Finance Bank (SFB) from Reserve Bank of India (RBI). Once it transitions to an SFB, the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters for Banks will be applicable. Considering the same the Board of Directors has approved the adoption of a revised Non-performing Assets (NPA) provisioning policy applicable with effect from April 1, 2017. Had the Company continued to use the earlier policy of NPA provisioning, the provisions for the half year ended September 30, 2017 would have been higher by Rs. 1,41,314 lakhs.
    - The Company had revised the estimated useful life for lease hold improvements and software with effect from April 1, 2017. In line with the accounting policy of the Company and accounting standards, the revisions have been accounted with a prospective impact as changes in accounting estimates. Had the Company continued to use the earlier estimates, depreciation for the half year ended September 30, 2017 would have been higher by Rs. 2,570 lakhs.
  - The Company is primarily engaged in the business of Micro Finance and has classified this as its business segment. There is no other separate reportable segment as per Accounting standard (AS)-17 on Segment Reporting.
  - During the half year ended September 30, 2017, there was an infusion of Class A Compulsory Convertible Preference Share Capital of Rs. 10 each at par for Rs. 54,700 lakhs (547,000,000 shares @ Rs. 10 each). Subsequent to September 30, 2017, there was further infusion of Class A Compulsory Convertible Preference Share Capital of Rs. 10 each at par for Rs. 38,300 lakhs (383,000,000 shares @ Rs. 10 each) in October 2017 and Rs. 10,000 lakhs (100,000,000 shares @ Rs. 10 each) in November, 2017. This resulted in an increase of Rs. 48,300 lakhs in paid up preference share capital subsequent to September 30, 2017.
  - During the period ended September 30, 2017, the Company has allotted 500 unsecured redeemable non-convertible debentures at Rs. 10,00,000 each.

9. Facility	ICRA Rating (Aug'17)	Rated Amount in Crs.	CRISIL Rating (April'17)	Rated Amount in Crs.2
Bank facilities	ICRA1 A (Negative)	1300	CRISIL A/Negative	250
Non Convertible Debentures	ICRA1 A (Negative)	3716	CRISIL A/Negative	368
Subordinated Debt	ICRA1 A (Stable)	751	-	-
Commercial Paper	ICRA1 A1	900	CRISIL A1+	500

10. The coupon and principal payments on debentures for the half year ended September 30, 2017 amounted to Rs. 85,449 lakhs which were paid on or before due date and the coupon and principal payments due for the next half year ending March 31, 2018 amounts to Rs. 78,262 lakhs.

11. Previous period/year figures have been regrouped / reclassified wherever necessary to conform with the current period/year presentation.

For and on behalf of the Board of Directors



**JANALAKSHMI FINANCIAL SERVICES LIMITED**

CIN No: U65923KA2006PLC040028

Regd Office :No: 29, Union Street, Off Infantry Road, Bengaluru - 560 001.

**Statement of Standalone Unaudited Financial Results for the Half Year Ended 30 September 2017**

(All amounts in INR lakhs except otherwise stated)

PARTICULARS		As at 30 Sep 2017	As at 31 Mar 2017
<b>EQUITY AND LIABILITIES</b>			
<b>I</b>	<b>SHAREHOLDERS' FUNDS</b>		
(a)	Share capital	57,446.44	2,746.44
(b)	Reserves and surplus	1,17,267.64	2,36,922.37
	<b>Total</b>	<b>1,74,714.08</b>	<b>2,39,668.81</b>
<b>II</b>	<b>NON-CURRENT LIABILITIES</b>		
(a)	Long - term borrowings	5,42,615.52	6,50,852.90
(b)	Long - term provisions	1,395.48	4,912.97
	<b>Total</b>	<b>5,44,011.00</b>	<b>6,55,765.87</b>
<b>III</b>	<b>CURRENT LIABILITIES</b>		
(a)	Short - term borrowings	16,921.52	21,942.17
(b)	Trade payables		-
	(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
	(ii) Total outstanding dues of trade payables other than Micro Enterprises and Small enterprises	10,158.32	7,175.57
(c)	Other current liabilities	5,14,137.71	5,53,931.91
(d)	Short - term provisions	1,23,111.65	25,977.26
	<b>Total</b>	<b>6,64,329.20</b>	<b>6,09,026.91</b>
	<b>TOTAL</b>	<b>13,83,054.28</b>	<b>15,04,461.59</b>
<b>ASSETS</b>			
<b>I</b>	<b>NON-CURRENT ASSETS</b>		
(a)	Fixed Assets		
	(i) Property, plant and equipment	29,673.24	14,716.26
	(ii) Intangible assets	5,432.02	4,439.86
	(iii) Capital work in progress	40.26	107.04
	(iii) Intangible assets under development	3,444.42	3,745.96
(b)	Non-current investments	10.00	10.00
(c)	Deferred tax asset	46,906.09	10,094.05
(d)	Long-term loans and advances	2,52,512.30	4,73,982.19
(e)	Other non-current assets	5,773.11	10,514.05
	<b>Total</b>	<b>3,43,791.44</b>	<b>5,17,609.41</b>
<b>II</b>	<b>CURRENT ASSETS</b>		
(a)	Current investments	1,06,462.05	34,754.33
(b)	Cash and bank balances	1,69,945.30	2,20,093.09
(c)	Short-term loans and advances	7,54,449.99	7,24,933.51
(d)	Other current assets	8,405.50	7,071.25
	<b>Total</b>	<b>10,39,262.84</b>	<b>9,86,852.18</b>
	<b>TOTAL</b>	<b>13,83,054.28</b>	<b>15,04,461.59</b>



For and on behalf of the Board of Directors

*Ajay Kanwal*  
Ajay Kanwal  
Director & Chief Executive Officer

Place: Bangalore

Date : November 15, 2017

# B S R & Associates LLP

Chartered Accountants

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Apollo Mills Compound  
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India

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## Review report

To the Board of Directors of  
Janalakshmi Financial Services Limited

We have reviewed the accompanying statement of unaudited financial results of Janalakshmi Financial Services Limited ('the Company') for the half year ended September 30, 2017 and year to date results for the period April 01, 2017 to September 30, 2017 ('the Statement'). This Statement has been prepared by the Company pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in its meeting held on November 15, 2017. Our responsibility is to issue a report on the Statement based on our review.

Attention is drawn to the fact that the figures for the year ended March 31, 2017 and the half year ended September 30, 2016 as reported in the Statement were audited/reviewed by another auditor who expressed an unmodified audit opinion, dated May 30, 2017 on the annual financial results for the year ended March 31, 2017 and an unmodified review opinion dated November 14, 2016 on the financial results for the half year ended September 30, 2016 respectively.

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 misstatements. A review is limited primarily to inquiries of Company's 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.

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 applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Securities and Exchange Board of India (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.

For **B S R & Associates LLP**  
Chartered Accountants

Firm's Registration No: 116231 W/W - 100024



**N Sampath Ganesh**  
Partner

Membership No: 042554

Hyderabad  
15 November 2017

B S R & Associates (a partnership firm with  
Registration No. BA69226) converted into  
B S R & Associates LLP (a Limited Liability,  
Partnership with LLP Registration No. AAB-8182)  
with effect from October 14, 2013

Registered Office  
5th Floor, Lodha Excelus,  
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Mumbai - 400 011