



Date: 13th November 2018

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 2018 with Limited review under Regulation 52 of the SEBI (LODR) Regulations 2015. – Jana Small Finance Bank Limited (Debt Listed).

With reference to the captioned subject, please find attached the Half yearly financial results in the Annexure II of SEBI circular no. DCS/COMP/28/2016-17 dated 30 March 17.

Also, please note that the date of the board meeting is 13th November 2018.

For Jana Small Finance Bank Limited



Vivek Venkatesan
Chief Financial Officer



paise ki kadar

Registered Office :
Jana Small Finance Bank Ltd.
The Fairway Business Park
#10/1, 11/2 & 12/2B, Off Domlur,
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Challaghatta, Bangalore -560071
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JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
CIN No: U65923KA2006PLC040028
Regd Office : The Fairway, #10/1,11/2, &12/2B, Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bangalore - 560071

UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

Particulars	Half Year Ended		(In ₹ Lakhs)
	30.09.2018	30.09.2017	Year Ended
	Unaudited (Refer Note 3 below)	Unaudited (Refer Note 3 below)	Audited (Refer Note 3 below)
1. Interest earned (a)+(b)+(c)+(d)	60,456.49	77,774.41	155,478.86
(a) Interest/discount on advances/bills	53,026.80	74,129.43	141,815.34
(b) Income on investments	5,431.08	1,306.46	9,642.82
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,998.61	2,332.76	4,014.95
(d) Others	-	5.75	5.75
2. Other income	5,825.06	3,817.85	4,225.56
3. TOTAL INCOME (1+2)	66,281.55	81,592.26	159,704.43
4. Interest expended	41,914.91	62,848.88	116,388.79
5. Operating expenses (i)+(ii)	53,467.32	75,453.81	145,530.47
(i) Employees cost	29,491.39	34,076.91	67,008.24
(ii) Other operating expenses	23,975.93	41,376.90	78,522.23
6. TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	95,382.23	138,302.69	261,919.26
7. OPERATING PROFIT (3-6) (Profit before provisions and contingencies)	(29,100.68)	(56,710.43)	(102,214.83)
8. Provisions (other than tax) and contingencies	100,075.94	100,128.72	138,900.12
9. Exceptional items	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	(129,176.62)	(156,839.15)	(241,114.95)
11. Tax expense	-	(37,640.47)	9,265.62
12. Net Profit from Ordinary Activities after tax (10-11)	(129,176.62)	(119,198.68)	(250,380.57)
13. Extraordinary items (net of tax expense)	-	-	-
14. Net Profit for the period (12-13)	(129,176.62)	(119,198.68)	(250,380.57)
15. Paid-up equity share capital (₹.10 each fully paid up)	4,150.21	57,446.44	3,928.86
16. Reserves excluding Revaluation Reserve	-	-	148,952.96
17. Analytical Ratios			
(i) Capital Adequacy ratio (%) (as per Basel-II)	21.20%	17.48%	34.67%
(ii) Earnings per Share (EPS) (in ₹)*			
(a) Basic EPS (before and after extra ordinary items)	(325.48)	(434.01)	(787.88)
(b) Diluted EPS (before and after extra ordinary items)	(325.48)	(432.99)	(787.88)
(iv) NPA Ratios			
a) Gross NPA	240,262.44	296,654.00	318,282.63
b) Net NPA	70,263.75	176,052.95	167,131.63
c) % of Gross NPA	35.29%	29.87%	42.21%
d) % of Net NPA	13.75%	20.18%	27.72%
(v) Return on Assets (%)*	-14.86%	-17.58%	-20.52%



Segment Information in accordance with the extant RBI guidelines and Accounting Standard on Segment Reporting

(₹. in Lakhs)

Particulars	Half Year Ended		Year Ended
	30.09.2018	30.09.2017	31.03.2018
	Unaudited (Refer Note 3 below)	Unaudited (Refer Note 3 below)	Audited (Refer note 3 below)
Segment Revenue:			
Treasury	7,761.06	4,669.91	15,500.83
Corporate/Wholesale Banking	730.74	932.73	1,766.12
Retail Banking	57,616.23	75,923.36	142,334.76
Other Banking operations	173.51	66.26	102.71
Total Revenue*	66,281.54	81,592.26	159,704.42
Less: Inter Segment Revenue @	-	-	-
Income from Operations	66,281.54	81,592.26	159,704.42
Segment Results (net of provisions):			
Treasury	(2,703.20)	(3,232.96)	(8,497.06)
Corporate/Wholesale Banking	217.00	446.07	348.08
Retail Banking	(126,702.93)	(145,215.24)	(215,268.78)
Other Banking operations	12.51	35.26	40.71
Unallocated	-	(8,872.28)	(17,737.91)
Profit before tax	(129,176.62)	(156,839.15)	(241,114.96)
Segment Assets			
Treasury	228,400.77	284,431.81	314,171.99
Corporate/Wholesale Banking	9,718.61	13,216.37	11,771.87
Retail Banking	530,245.21	886,902.37	610,728.25
Other Banking operations	3,152.15	958.25	912.25
Unallocated *	29,253.29	77,157.88	37,294.01
Total	800,770.03	1,262,666.68	974,878.37
Segment Liabilities			
Treasury	541,103.58	1,063,587.98	798,897.72
Corporate/Wholesale Banking	23.91	381.07	367.79
Retail Banking	203,634.85	22,349.07	22,541.43
Other Banking operations	-	-	-
Unallocated *	1,197.35	1,634.48	189.63
Total	745,959.69	1,087,952.60	821,996.57
Capital employed:			
(Segment Assets - Segment Liabilities)			
Treasury	(312,702.81)	(779,156.17)	(484,725.72)
Corporate/Wholesale Banking	9,694.70	12,835.30	11,404.08
Retail Banking	326,610.36	864,553.30	588,186.83
Other Banking operations	3,152.15	958.25	912.25
Unallocated	28,055.94	75,523.40	37,104.39
Total	54,810.34	174,714.08	152,881.83

@ For the above segment reporting, the reportable segments are identified as Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines for banks. The Bank is in the process of formulating and implementing Funds Transfer Pricing (FTP) methodology and hence the adjustment of revenue and cost on account of FTP is not adjusted in between segments.

* Unallocated assets and liabilities pertains to the assets and liabilities not identifiable to the particular segment.



Statement of Assets and Liabilities of the bank as on September 30, 2018 and March 31, 2018 is given below:

(₹. in Lakhs)

Particulars	As at 30.09.2018	As at 31.03.2018
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	4,150.21	3,928.86
Reserves and Surplus	50,660.14	148,952.96
Deposits	182,364.79	45.34
Borrowings	526,672.70	766,160.79
Other Liabilities and Provisions	36,922.20	55,790.42
Total	800,770.04	974,878.38
ASSETS		
Cash and Balances with Reserve Bank of India	31,626.35	19,774.38
Balance with Banks and Money at Call and Short Notice	60,996.19	91,946.57
Investments	136,395.15	199,747.92
Advances	510,835.02	602,831.54
Property, Plant and Equipment	36,173.67	38,465.87
Other Assets	24,743.66	22,112.10
Total	800,770.04	974,878.38

Notes:

- The unaudited financial results for the half year ended September 30, 2018 were reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same at its Meeting held on November 13, 2018.
- These Results have been subjected to "Limited review" by the statutory auditors of the Bank and an unqualified review report has been issued. Limited review was carried as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- Pursuant to the resolution passed by the shareholders at the Extraordinary General Meeting (EGM) held on January 12, 2018 and the issue of small finance bank license by Reserve Bank of India (RBI) on April 28, 2017 under section 22(1) of the Banking Regulation Act, 1949 "Janalakshmi Financial Services Limited" (the "Company") converted itself into a Small Finance Bank with effect from March 28, 2018. Accordingly, the name of the Company is changed to Jana Small Finance Bank Limited (the "Bank"). The financial results for the year ended March 31, 2018 and half year ended September 30, 2018 are therefore, prepared as per RBI guidelines which are applicable to banks. The Bank has accordingly, changed its accounting policies to ensure compliance with banking regulations issued by RBI from time to time and practices that are prevalent in the banking industry. As a result, the previous half year ended September 30, 2017 figures are not comparable with those of the current half year ended September 30, 2018.
The bank has followed the same significant accounting policies in the preparation of interim financial results as those followed in the annual financial statements for the year ended March 31, 2018.
- The Bank has made provision for Non Performing Assets as stipulated under Reserve Bank of India (RBI) norms. Further, provision for standard assets and provision for restructured accounts have been made as per RBI guidelines for Banks.
- Other income includes fees earned from providing services to customers, profit on sale of investments (net), recoveries from advances written off.
- During the half year ended September 30, 2018, there was an infusion of 22,13,428 equity shares of ₹ 10 each for cash pursuant to a private placement of shares at ₹ 1,383.60 per share aggregating to ₹ 306.25 crores (including share premium). This resulted in an increase of ₹ 2.21 crores in equity share capital and ₹ 304.04 crores in securities premium account.
- During the half year ended September 30, 2017, there was an infusion of 54,70,00,000 Class A Compulsory Convertible Preference Share Capital for ₹ 547 crores. This resulted in an increase of ₹ 547 crores in preference share capital.
- During the half year ended March 31, 2018, there was an infusion of 63,30,00,000 Class A compulsory convertible preference share capital for ₹ 633 crores. This resulted in an increase of ₹ 633 crores in preference share capital.
The Bank had further issued 32,95,750 equity shares of ₹ 10 each for cash pursuant to a private placement of equity shares at Rs.1,383.60 per share aggregating to ₹ 456 crores (including securities premium) and converted 118,00,00,000 Compulsorily Convertible Preference Shares aggregating to ₹ 1,180 crores to 85,28,475 equity shares having face value of ₹ 10 each at ₹ 1383.60.
This resulted in an increase of ₹ 11.82 crores in Equity Share Capital and ₹ 1,622.28 crores (net of issue expenses) in securities premium account.



- 9 During the half year ended September 30, 2018, the Bank had granted 4,06,535 share options under the Employee Stock Option Scheme 2018 and 10,371 stock units under the Restricted Stock Units Scheme 2018 to eligible employees (each options entitles option holder to one equity shares of ₹ 10 each)
- 10 The Bank 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 Bank and accounting standards, the revisions have been accounted with a prospective impact as changes in accounting estimates. Had the Bank continued to use the earlier estimates, depreciation for the year ended March 31, 2018 would have been higher by ₹ 42.42 crores.
- 11 As per RBI circular DBR.NBD.No. 26/16.13.218/2016-17 dated October 6, 2016 on Operating Guidelines for Small Finance Banks, prudential regulatory framework will largely be drawn from the Basel standards for Capital requirements and Basel II standardized approach for credit risk. Therefore the Bank has not published information as per pillar 3 disclosure required under Basel-III regulation.
- 12 The Bank has reported loss for half year ended September 30, 2018 and Gross NPA levels continue to be high compared to industry levels. In this context, the Bank's management has concluded the appropriateness of the going concern assumption for the preparation of the financial results, based on the key measures undertaken as disclosed below:

- The Bank has reported losses and has witnessed high level of portfolio stress for the last 18 months. The Bank's management has reviewed and enhanced the underwriting mechanism and strengthen controls on sourcing and collection.
- Focus on collections of NPAs through enhanced recoveries backed up by restructuring schemes.
- Incremental capital infusion of ₹ 1,942 crores in the last 12 months of which ₹ 306 crores raised in the half year to ensure loss absorption and capital adequacy norms are adhered (CAR of 21.20% as of September 30, 2018).
- Progressing on Bank Conversion with commercial launch of banking operations on July 18, 2018 and operationalizing 187 bank branches in the current half year.
- Raising ₹ 1,800 crores of net deposits for the half year of which a significant portion is constituted by retail deposits.
- Increasing new book disbursement run rates through strengthened credit underwriting norms and ensuring lower delinquency trends.
- Managing liquidity to ensure all payment obligations are adhered without any delay.
- Improving cost run rates and identifying further areas for cost reduction.

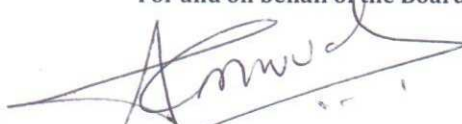
- 13 Privately placed redeemable non-convertible secured debentures of the Bank are secured against exclusive charge over hypothecation of loan portfolio/receivables. The Bank has not raised non-convertible debentures after conversion into a small finance bank.
- 14 The Coupon payment on debentures for the half year ended September 30, 2018 amounted to ₹292.11 crores which were paid on or before due date and the coupon payments due for the next six months ending March 31, 2019 is ₹ 135.02 crores.

Facility	ICRA Rating (Jul'18)	Amount Rated * ₹ Crores	CRISIL Rating (Jun'18)	Amount Rated ₹ Crores
Bank facilities	[ICRA] BBB (Negative)	270.00	CRISIL BBB+/Negative	30.00
Non Convertible Debentures*	[ICRA] BBB (Negative)	2,565.00	CRISIL BBB+/Negative	263.00
Commercial Paper*	-	900.00	CRISIL A2+	500.00
Subordinated Debt	[ICRA] BBB (Negative)	751.00		

* Commercial Paper rating limit to the extent of ₹ 900 crores and NCD's rating Limit to the extent of ₹ 238 crores were withdrawn

- 16 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



Ajay Kanwal

Managing Director and Chief Executive Officer

Place: Bengaluru
Date: Nov 13, 2018



B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited half yearly financial results of Jana Small Finance Bank Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Jana Small Finance Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Jana Small Finance Bank Limited ("the Bank") for the half year ended 30 September 2018 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in their meeting held on 13 November 2018. Our responsibility is to issue a report on the Statement based on our review.
3. 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" specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement are free of material misstatement. A review is limited primarily to inquiries of Bank'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.
4. The Bank was granted a Small Finance Bank ('SFB') license by the RBI on 28 April 2017, consequently the Bank converted itself into an SFB from a Non-Banking Finance Company ('NBFC') with effect from 28 March 2018. The Bank has accordingly, changed its accounting policies to ensure compliance with banking regulations issued by RBI from time to time and practices that are prevalent in the banking industry. As a result, the previous half year ended 30 September 2017 figures are not comparable with those of the current year half year ended 30 September 2018. Our review opinion is not modified in respect of this matter.



Limited review report on unaudited half yearly financial results of Jana Small Finance Bank Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

5. We draw attention to Note 12 in the unaudited half yearly financial results, in which the Bank's management has explained their basis for preparing the financial results of the Bank on a going concern basis despite the Bank's continuing losses (INR 1,291.77 crores for the half year ended 30 September 2018). Our opinion is not modified in respect of this matter.
6. 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 prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations 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: 116231W/W – 100024



N Sampath Ganesh

Partner

Membership No. 042554

Place: Mumbai

Date: 13 November 2018