

Independent Auditors' Report on the Financial Results pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To the Board of Directors of Grameen Koota Financial Services Private Limited**

1. We have audited the accompanying statement of financial results of Grameen Koota Financial Services Private Limited ('the Company') for the half year ended September 30, 2017 ('the Statement') being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/IMD/DF1/9/2015 dated November 27, 2015 and CIR/IMD/DF1/69/2016 dated August 10, 2016 (collectively referred to as the "Listing Regulations").
2. This Statement has been prepared on the basis of the related interim financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company, in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder; other accounting principles generally accepted in India and the Listing Regulations. Our responsibility is to express an opinion on the Statement based on our audit.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us these half yearly financial results:
 - i. are presented in accordance with the requirements of the Listing Regulations; and
 - ii. give a true and fair view of the net profit and other financial information for the half year ended September 30, 2017.

For S. R. BATLIBOI & CO. LLP**ICAI Firm's Registration Number: 301003E/E300005****Chartered Accountants****per Jayesh Gandhi****Partner****Membership Number: 037924****Mumbai****November 14, 2017**

Grameen Koota Financial Services Private Limited
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071
Financial results for the half year ended September 30, 2017
CIN: U51216KA1991PTC053425

(Amount in Rupees unless otherwise stated)

Particulars	30-Sep-17 (Audited)	31-Mar-17 (Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	856,813,430	856,813,430
Reserves and surplus	6,663,412,926	6,051,154,039
	7,520,226,356	6,907,967,469
Non-current liabilities		
Long-term borrowings	15,556,749,154	11,758,818,396
Long-term provisions	1,198,972,612	307,232,507
	16,755,721,766	12,066,050,903
Current liabilities		
Short-term borrowings	200,000,000	-
Other current liabilities	18,833,068,393	15,494,160,851
Short-term provisions	378,385,175	1,172,540,313
	19,411,453,568	16,666,701,164
TOTAL	43,687,401,690	35,640,719,536
Assets		
Non-current assets		
Fixed assets		
Property, plant and equipment	67,209,179	59,802,188
Intangible assets	74,582,843	62,819,642
Capital work-in-progress	-	7,036,220
Intangible assets under development	3,269,125	23,273,932
Non-current investments	2,000,000	2,000,000
Deferred tax asset	491,703,002	484,944,595
Long-term loans and advances	10,420,527,264	6,376,146,360
Other non-current assets	82,582,630	119,575,979
	11,141,874,043	7,135,598,916
Current assets		
Cash and bank balances	1,637,432,443	3,636,880,860
Current investments	1,632,370,026	-
Short-term loan and advances	29,111,100,764	24,514,534,368
Other current assets	164,624,414	353,705,393
	32,545,527,647	28,505,120,621
TOTAL	43,687,401,690	35,640,719,537

For and on behalf of the Board of Directors of **Grameen Koota Financial Services Private Limited**


Udaya Kumar
Managing Director & CEO

Place: Bangalore
Date: Nov 14, 2017



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CIN: U51216KA1991PTC053425

(Amount in Rupees unless otherwise stated)

Particulars	Half year ended		Year ended
	30-Sep-17 (Audited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
Income			
Revenue from operations	3,801,740,537	3,471,691,271	7,017,450,203
Other income	40,903,236	29,343,360	75,161,699
Total revenue (I)	3,842,643,773	3,501,034,631	7,092,611,902
Expenses			
Employee benefits expenses	606,422,868	524,580,537	1,046,846,826
Finance costs	1,771,821,640	1,552,874,675	3,242,532,733
Other expenses	296,953,593	257,128,191	507,021,388
Depreciation and amortisation expenses	21,701,065	22,115,318	44,326,457
Provision and write-offs	209,648,996	73,148,354	1,086,019,140
Total expenses (II)	2,906,548,162	2,429,847,075	5,926,746,544
Profit before tax (III)=(I)-(II)	936,095,611	1,071,187,556	1,165,865,358
Tax expense			
Current tax	342,263,388	396,542,236	813,334,620
Deferred tax	(6,758,407)	(16,067,001)	(401,325,779)
Short provision of tax relating to earlier years	-	-	1,306,248
Total tax expense (IV)	335,504,981	380,475,235	413,315,089
Profit for the year / period (III)-(IV)	600,590,630	690,712,321	752,550,269
Earnings per equity share *			
[Nominal value of share Rs.10 (March 31, 2017: Rs.10)]			
Basic (EPS) (Computed on the basis of total Profit for the period)	7.01	8.77	9.38
Diluted (DPS) (Computed on the basis of total Profit for the period)	6.90	8.68	9.26

* The EPS and DPS for the half year ended September 30, 2017 and September 30, 2016 are not annualised.

For and on behalf of the Board of Directors of **Grameen Koota Financial Services Private Limited**


Udaya Kumar
Managing Director & CEO

Place: Bangalore
Date : **NOV 14, 2017**



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CIN: U51216KA1991PTC053425

Notes:

1. The above results for the half year ended September 30, 2017 have been audited by the Statutory Auditors of the Company and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 14, 2017, in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. During the period, the Company has revised its estimates relating to loan provisioning whereby the overdue instalments of a non-performing asset ('NPA') shall be subjected to provisioning as against the entire loan outstanding which are in line with the methodology prescribed by RBI for NBFC-MFIs. Further, the Company has also performed a qualitative assessment of its loan portfolio and has revised its estimates of provisioning towards standard assets. As a result of these changes in the estimates, the overall provisioning for loan portfolio for the half year ended September 30, 2017 is lower by Rs.109 crores.
3. The Company operates in a single business segment i.e. lending to borrowers, which have similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.
4. The Company has filed a petition with the National Company Law Tribunal, Karnataka ('NCLT') for entering into a Scheme of Arrangement ('Scheme') for amalgamation of the business of MV Microfin Private Limited with the Company with effect from April 1, 2017. Pending the receipt of final order from NCLT approving the Scheme, the financial results for the half year ended September 30, 2017 do not consider the effect of adjustments prescribed in the Scheme.
5. Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current year / period presentation.

For and on behalf of the Board of Directors of **Grameen Koota Financial Services Private Limited**


Udaya Kumar
Managing Director & CEO

Place: Bangalore
 Date : **Nov 14, 2017**



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(Rupees in lakhs)

Sr. No.	Particulars	Half year ended		Year ended	
		September 30, 2017 (Audited)	September 30, 2016 (Unaudited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
1	Interest earned (a)+(b)+(c)+(d)	35,493	32,526	66,941	42,443
(a)	Interest on advances	34,967	31,926	65,669	40,649
(b)	Income on investments	227	145	356	383
(c)	Interest on balances with RBI and other inter-bank funds	-	-	-	-
(d)	Others	299	455	916	1,411
2	Other income	2,934	2,485	3,985	4,229
3	Total income (1+2)	38,427	35,011	70,926	46,672
4	Interest expended	17,214	14,820	30,574	19,616
5	Operating expenses (i)+(ii)	9,755	8,747	17,833	12,618
(i)	Employees cost	6,064	5,246	10,468	7,067
(ii)	Other operating expenses	3,691	3,501	7,365	5,551
6	Total expenditure (4+5) excluding provisions and contingencies	26,969	23,567	48,407	32,234
7	Operating profit / (Loss) before provisions and contingencies (3-6)	11,458	11,444	22,519	14,438
8	Provisions (other than tax) and contingencies (net)	2,096	731	10,860	1,402
9	Exceptional items	-	-	-	-
10	Profit / (Loss) from ordinary activities before tax (7-8-9)	9,362	10,713	11,659	13,036
11	Tax expense	3,355	3,805	4,133	4,658
12	Net Profit / (Loss) from ordinary activities after tax (10-11) (PAT)	6,007	6,908	7,526	8,378
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net profit / (Loss) for the period (13-14)	6,007	6,908	7,526	8,378
15	Paid-up equity share capital (Face Value of Rs.10/- each)	8,568	8,165	8,568	7,295
16	Reserves excluding revaluation reserves	66,634	39,197	60,512	39,197
17	Analytical ratios				
(i)	Capital adequacy ratio	29.71%	21.67%	29.71%	21.47%
(ii)	Earnings per share (EPS*) (Rs.)	7.01	8.77	9.38	11.48
(ii)	Diluted earnings per share (DPS*) (Rs.)	6.90	8.68	9.26	11.30
18	NPA ratios				
a)	i) Gross NPA	21,049.92	140.24	258.19	197.99
	ii) Net NPA	9,227.36	-	-	-
b)	i) % of Gross NPA to Gross Advances	5.35%	0.05%	0.08%	0.08%
	ii) % of Net NPA to Net Advances	2.42%	0.00%	0.00%	0.00%
c)	Return on Assets (PAT / Average Total Assets **)	1.51%	2.20%	2.36%	3.70%


* The EPS, DPS and Return on Assets for the half year ended September 30, 2017 and September 30, 2016 are not annualised.

** Represents the average of opening and closing total assets, excluding unamortised expenditure.

Notes

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