



December 10, 2019

To
Bombay Stock Exchange,
P.J Towers,
Dalal Street,
Mumbai - 400 001

Sub: Submission of Unaudited Financial Results for the half year ended September 30, 2019

Dear Sir/Madam,

In terms of Regulations 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed the Unaudited Financial Results of the Company for the half year ended September 30, 2019 alongwith the Limited Review Report issued by the statutory auditors, M/s.B S R & Co, LLP, Chartered Accountants.

Kindly take the above information on record.

Thank you

For Dvara Kshetriya Gramin Financial Services Private Limited


S. Balaji
Company Secretary



Dvara Kshetriya Gramin Financial Services Private Limited
(Formerly Pudhuaaru Financial Services Private Limited)

CIN.: U65991TN1993PTC024547

Regd. Office: 10th Floor, Phase I, IIT-Madras Research Park,
Kanagam Village, Taramani, Chennai 600113, India.
T: +91 44 66687000 | E: contactus@dvarakgfs.com | W: dvarakgfs.com

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India.

Telephone : +91 44 4608 3100
Fax : +91 44 4608 3199

Review Report

To Board of Directors of

Dvara Kshetriya Gramin Financial Services Private Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Dvara Kshetriya Gramin Financial Services Private Limited (“the Company”) for the half year ended 30 September 2019 (“the Statement”) attached herewith, being submitted by the Company 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, which is the responsibility of the Company’s management and has been approved by the Board of Directors in its meeting held on 10 December 2019. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (“Ind AS”) 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013 (“Act”), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report 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. 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.
4. Attention is drawn to the fact that the figures for the corresponding half year ended 30 September 2018 including the reconciliation of Total comprehensive income under Ind AS of the corresponding half year with net profit reported under the previous Generally Accepted Accounting Principles (‘GAAP’) as reported in these financial results have been approved by the Company’s Board of Directors but have not been subjected to review.

B S R & Co. LLP

**Review Report to Board of Directors
Dvara Kshetriya Gramin Financial Services Private Limited**

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5. 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 Indian accounting standards 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 and SEBI circular dated 10 August 2016 in this regard including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



K Raghuram
Partner

Membership No: 211171
UDIN : 19211171AAAAFE4112

Place : Chennai
Date : 10 December 2019

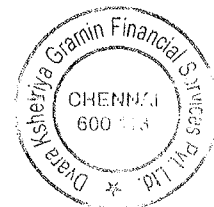
Dvara Kshetriya Gramin Financial Services Private Limited
CIN: U65991TN1993PTC024547
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of Unaudited Assets and Liabilities as at 30 September 2019

(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

	Particulars	As at 30 September 2019 (Unaudited)
	ASSETS	
1	Financial Assets	
	Cash and cash equivalents	14,024.21
	Bank balance other than cash and cash equivalents	5,231.76
	Receivables	
	(i) Trade Receivables	254.11
	Loans	66,301.22
	Other financial assets	815.17
		86,626.47
2	Non-financial Assets	
	Current tax assets (net)	1,672.54
	Deferred tax assets (net)	879.20
	Property, plant and equipment	424.40
	Right of Use Asset	755.12
	Intangible assets	1,347.26
	Other non-financial assets	1,052.17
		6,130.69
	TOTAL ASSETS	92,757.16
	LIABILITIES AND EQUITY	
3	Financial Liabilities	
	Payables	
	(i) Trade payables	
	(i) Total outstanding dues of micro enterprises and small enterprises	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	434.20
	Debt securities	6,361.38
	Borrowings (other than debt securities)	54,361.77
	Other financial liabilities	1,881.26
		63,038.61
4	Non-Financial Liabilities	
	Provisions	329.66
	Other non-financial liabilities	147.24
		476.90
5	EQUITY	
	Equity share capital	7,528.99
	Other equity	21,712.66
		29,241.65
	TOTAL LIABILITIES AND EQUITY	92,757.16
	See accompanying notes to the unaudited financial results	



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Statement of Unaudited Financial results for the half year ended 30 September 2019

(All amounts are in Indian Rupees in Lakhs, except share data and as stated)

Particulars	Half year ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited) (Refer note 4)
1 Revenue from operations		
Interest income	9,070.46	7,507.81
Fees and commission income	36.91	-
Net gain on derecognition of financial instruments	59.22	88.95
Income from other services	563.98	267.48
Total revenue from operations	9,730.57	7,864.24
2 Expenses		
Finance costs	4,623.49	4,001.26
Impairment on financial instruments	1,087.26	89.24
Employee benefits expense	2,383.62	1,450.38
Depreciation and amortisation	270.49	51.84
Other expenses	1,111.56	1,102.24
Total expenses	9,476.42	6,694.96
3 Profit before tax (1-2)	254.15	1,169.28
4 Tax expenses		
Current tax	54.77	281.28
Deferred tax charge / (credit)	45.92	(63.03)
Minimum alternative tax credit entitlement	(54.77)	-
	45.92	218.25
5 Net profit for the period (3-4)	208.23	951.03
6 Other comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the defined benefit plans	28.09	25.79
Income tax relating to items that will not be reclassified to profit or loss	(8.18)	(7.51)
Other comprehensive income (net of tax)	19.91	18.28
7 Total comprehensive Income (net of tax) (5+6)	228.14	969.31
8 Earnings per equity share (face value Rs.100 each)		
- Basic (in Rs.)	2.78	13.09
- Diluted (in Rs.)	2.68	13.09
See accompanying notes to the unaudited financial results	Not annualised	Not annualised



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Notes:

- 1 Dvara Kshetriya Gramin Financial Services Private Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India ("the RBI").
- 2 The Unaudited financial results for the half year ended 30 September 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 9 December 2019 and 10 December 2019 respectively. The above results have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified review report.
- 3 These financial results have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (India Accounting Standards) Rules 2016 . The Company has adopted Ind AS from 1 April 2019 with effective transition date of 1 April 2018 and accordingly these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS prescribed Under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India.

The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rule 2014 (as amended), guidelines issues by the RBI and other generally accepted accounting principles in India (collectively referred to as the "Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserves as on 1 April 2018 and the corresponding adjustments pertaining to comparative previous period / half year as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs or changes in the use of one or more optional exemptions from full retrospective applications of certain Ind AS permitted under Ind AS 101 which may arise upon finalisation of financial statements as at and for the year ending 31 March 2020

These financial results have been drawn up on the basis of Ind AS that are applicable to the Company as at 30 September 2019 based on the press release issued by Ministry of Corporate Affairs ("MCA") on 18 August 2016. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

- 4 In compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, limited review of financial results for the half year ended 30 September 2019 has been carried out by the Statutory Auditors of the Company. As permitted under Circular No. CIR/IMD/DFI/69/2016 dated 10 August 2016 issued by SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results and statement of assets and liabilities for the previous year ended 31 March 2019. Further, the financial results under Ind AS for the half year ended 30 September 2018 including the reconciliation of net profit as stated in note 6 has not been subjected to review or audit. However, the management has exercised the necessary due diligence to ensure that the financial results for the half year ended 30 September 2018 including the reconciliation of net profits as stated in note 6 provide a true and fair view of the Company's affairs.
- 5 There is no reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.



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Dvara Kshetriya Gramin Financial Services Private Limited

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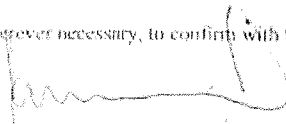
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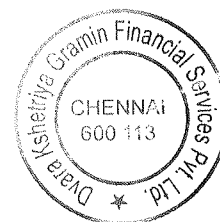
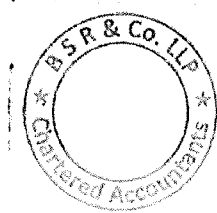
- 6 The reconciliation of net profit for the half year ended 30 September 2018, as previously reported under previous GAAP and as restated under Ind AS are summarised as below:

Particulars	Half year ended 30 September 2018 Unaudited (Refer note 4)
Net Profit after tax for the period under previous GAAP	650.19
Adjustments resulting in increase/ (decrease) in profit after tax as reported under previous GAAP:	
Adjustment pursuant to the Scheme of arrangement	378.79
Impact on recognition of processing fee on financial assets and financial liabilities under Effective Interest Rate (EIR)	(179.97)
Impact on application of Expected Credit Loss method for impairment allowance on receivables under financing activities	(37.74)
Impact of recognition of income on NPA Assets	12.43
Tax impact on the above adjustments	27.33
Net profit after tax for the period under Ind AS	951.03
Other Comprehensive Income/(Deficit) - remeasurement loss on defined benefit plan, net of taxes	18.28
Total Comprehensive Income (after tax) under Ind AS	969.31

- 7 Reserves include statutory reserve as per section 45IC of the Reserve Bank of India Act, 1934, balance in securities premium, Employee Stock Option Plan and retained earnings.
- 8 During April 2019, the Company acquired business of Vazam Capital Private Limited. The Company has adopted purchase method as prescribed under Ind AS 103 – Business combination. Under the purchase method of accounting, the total consideration paid Rs 1,475.00 lakhs on this acquisition is allocated to assets acquired and liabilities assumed based on their preliminary estimated fair value. The Company may continue to adjust the preliminary estimated purchase price allocation after obtaining more information regarding asset valuations, liabilities assumed and revision in preliminary estimates, if any.
- 9 Effective 1 April 2019, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on 1 April 2019 using the modified retrospective method. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset of Rs. 512.18 lakhs and a lease liability of Rs. 631.15 lakhs with the corresponding adjustment in the opening reserves.
- 10 Previous period's figures have been regrouped/ reclassified wherever necessary, to conform with the current period presentation.

Place : Chennai
Date : 10 December 2019


Samir Anrit Shah
Director



Dvara Kshetriya Gramin Financial Services Private Limited
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Annexure A

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

(a) Credit rating

Products	CARE Rating	ICRA Rating
(a) Non convertible debentures	BBB	-
(b) Subordinated debt	-	BBB
(c) Bank facilities	BBB	BBB

(b) Assets Cover available for non convertible debt securities : Not applicable

(c) Debt equity ratio : 2.08 times

Debt equity ratio is (Borrowings+Debt Securities) / Net worth

(d) Previous due date for the payment of interest / dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares/ non convertible debt securities and whether the same has been paid or not: (Refer Annexure "A1"). The Company does not have any non-convertible redeemable preference shares as at 30 September 2019.

(e) Next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount. The Company does not have any non-convertible redeemable preference shares as at 30 September 2019.

(f) Debt service coverage ratio : Debt service coverage ratio is not applicable for Non-Banking Finance Company ("NBFC") registered with Reserve Bank of India and accordingly no disclosure has been made.

(g) Interest service coverage ratio : Interest service coverage ratio is not applicable for Non Banking Finance Company (NBFC) registered with Reserve Bank of India and accordingly no disclosure has been made.

(h) Outstanding redeemable preference shares (Quantity and value) : The Company does not have Outstanding redeemable preference shares as at 30 September 2019 and hence this clause is not applicable.

(i) Capital / Debenture Redemption Reserve : Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.

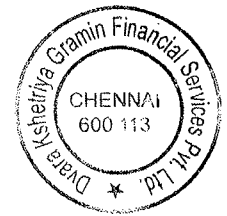
(j) Net Worth : Rs. 29,241.65 lakhs (Net Worth represents share capital, Reserves and Surplus)

(k) Net profit after tax : Rs. 228.14 lakhs

(l) Earnings per share for the half year ended 30 September 2019

Basic - Rs.2.78, Not annualised

Diluted - Rs.2.68, Not annualised



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Annexure A1

Description	ISIN	Previous Due Date for Payment of Interest / Part Principal	Whether Previous Interest Paid or not	Next Due Date for Payment of Interest / Part Principal
Non-Convertible Debentures	INE179P08017	30-Sep-19	Paid	30-Dec-19
Non-Convertible Debentures	INE179P08025	31-Jul-19	Paid	28-Oct-19
Non-Convertible Debentures	INE179P07100	22-Sep-19	Paid	22-Oct-19
Non-Convertible Debentures	INE179P08033	30-Sep-19	Paid	31-Dec-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	NA	NA	4-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	30-Sep-19	Paid	31-Oct-19
Non-Convertible Debentures	NA	NA	NA	29-Feb-24

