



T. R. CHADHA & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT


TO THE BOARD OF DIRECTORS OF AVANSE FINANCIAL SERVICES LIMITED

We have reviewed the accompanying statement of unaudited financial results of **Avanse Financial Services Limited** for the period ended 30th September 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagement to Review Financial Statements 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 financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure 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, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreements for debt securities 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 T. R. Chadha & Co.
Chartered Accountants
Firm Registration No. 006711N


Kashyap Vaidya
Partner

Membership No. 037623

Place: Mumbai
Date: October 20, 2015

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Other Branches at: ❖ AHMEDABAD ❖ HYDERABAD ❖ PUNE ❖ CHENNAI ❖ BENGALURU ❖ GURGAON

Unaudited Financial Results of Avanse Financial Services Limited for the half year ended September 2015

(Rs. In lacs)

Particulars	Six months ended	Six months ended	For the year ended
	30/09/2015 (Reviewed)	30/09/2014 (Unaudited)	31/03/2015 (Audited)
1. Interest earned (a)+(b)+(c)+(d)	2,121.10	519.00	1,547.24
(a) Interest on advances	1,992.68	478.82	1,493.64
(b) Income on investments	128.41	40.18	53.60
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-
(d) Others	-	-	-
2. Other Income	375.82	186.60	430.83
3. Total Income (1+2)	2,496.91	705.60	1,978.07
4. Interest Expended	1,287.90	158.41	725.13
5. Operating Expenses (i)+(ii)+(iii)+(iv)			
(i) Employees cost	463.60	288.23	749.46
(ii) Advertisement , Publicity and Business Promotion	168.35	186.68	353.61
(iii) Outsourcing expenses	115.69	82.17	182.00
(iv) Other operating expenses	344.81	187.38	416.00
6. Total Expenditure (4+5) excluding provisions and contingencies	2,380.36	902.88	2,426.20
7. Operating Profit before Provisions and Contingencies (3-6)	116.56	(197.28)	(448.12)
8. Provisions (other than tax) and Contingencies	55.74	15.29	47.43
9. Exceptional Items	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	60.82	(212.56)	(495.55)
11. Tax expense	-	-	-
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	60.82	(212.56)	(495.55)
13. Extraordinary items (net of tax expense)	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	60.82	(212.56)	(495.55)
15. Paid-up equity share capital (Face value of Rs. 10 each)	2,520.73	1,634.62	2,520.73
16. Reserves excluding Revaluation reserves	6,757.10	3,789.24	6,696.28
17. Analytical Ratios			
(i) Capital Adequacy Ratio	23.74	47.55	37.94
(ii) Earnings Per Share (EPS)	0.24	(1.70)	(3.02)
Basic	0.24	(1.70)	(3.02)
Diluted	0.24	(1.70)	(3.02)
18. NPA Ratios			
(a) Gross NPA	3.49	Nil	Nil
(b) Net NPA	3.11	Nil	Nil
(c) % of Gross NPA	0.01%	Nil	Nil
(d) % of Net NPA	0.01%	Nil	Nil
(e) Return on Assets	0.22%	-2.43%	-1.47%

Notes (as per RBI requirements)

- Employee cost under Operating expenses includes all forms of consideration given by the bank in Exchange for services rendered by employees. It should also include provisions for post employment benefits such as gratuity, pension, other retirement benefits, etc.
- Extraordinary items as defined in Accounting Standard 5 as income or expenses that arise from the ordinary activities of the enterprise and therefore, are not expected to recur frequently or regularly

Place

Mumbai

Date

19-Oct-15

For Avanse Financial Services Limited



Kapil Wadhawan - Chairman