



BWR/NCD/HO/ERC/MM/0192/2016-17

CIN: U67190KA2007PTC043591

July 12, 2016

Mr. Koustubh Shaha
Chief Financial Officer
Avanse Financial Services Limited
Ground Floor, Madhava Building
Bandra Kurla Complex
Near Family Court, Bandra East
Mumbai-400051

Dear Sir,

Sub: Rating of proposed Long Term Secured Non-Convertible Debentures (NCD) issue up to ₹ 150 Crores of Avanse Financial Services Limited

Ref: Your mandate dated May 27, 2016

Thank you for giving us an opportunity to undertake Rating of the proposed issue of **Long Term Secured NCD of Avanse Financial Services Limited**. Based on the information and clarifications provided by your company, draft terms of issue shared with us, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Avanse Financial Services Limited's** proposed **Long Term Secured NCD** issue up to **₹ 150 Crores** has been assigned a rating of **BWR AA+ (SO)** [Pronounced as BWR Double A Plus (Structured Obligation)], **Outlook: Stable**.

The letters '**SO**' indicate the credit enhancement factored on account of the 'Letter of Comfort' issued by Dewan Housing Finance Corporation Limited. Instruments with this rating are considered to have **high degree** of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Rating is valid for one year from the date of this letter subject to the terms and conditions that were agreed in your mandate dated May 27, 2016 and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.



Brickwork Ratings India Pvt. Ltd.

Corporate Office: 3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076.

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Avanse Financial Services Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance of the above Rating within two days of the date of this letter. Kindly note that unless acceptance is received by us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,


MSR Manjunatha

Director - Ratings



Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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July 12, 2016

Mr. Koustubh Shaha
 Chief Financial Officer
Avanse Financial Services Limited
 Ground Floor, Madhava Building
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 Near Family Court, Bandra East
 Mumbai-400051

Dear Sir,

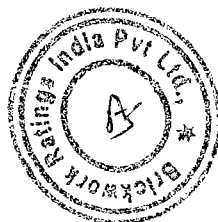
Sub: Review of Ratings of various Debt issues of Avanse Financial Services Limited rated by Brickwork Ratings

On a review of **Avanse Financial Services Limited's** performance based on the information and clarifications provided by your company, as well as information available in public sources, we are pleased to inform that Brickwork Ratings has reaffirmed the ratings as detailed below:

Instruments	Issue Size (₹ Cr)	O/S 11-Jul-2016 (₹ Cr)	Tenure	Rating History (Mar 2016)	Rating Reaffirmed
Secured NCD	75	70	Long Term	BWR AA+ (SO) Outlook: Stable	BWR AA+ (SO) Outlook: Stable
Subordinated NCD	25	25		BWR AA+ (SO) Outlook: Stable	BWR AA+ (SO) Outlook: Stable

¹ Please refer to BWR website www.brickworkratings.com for definition of the ratings assigned.

The Rating is valid up to July 11, 2017 and subject to the terms and conditions that were agreed in your mandates, our rating letters and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.



Brickwork Ratings India Pvt. Ltd.



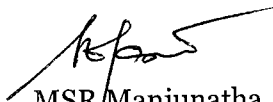
CIN: U67190KA2007PTC043591

Avanse Financial Services Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Kindly acknowledge.

Best Regards,


MSR/Manjunatha
Director - Ratings



Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

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