

Avanse/NCD/28-2016

The Manager  
Listing Department,  
BSE Limited  
P.J. Towers,  
Dalal Street  
Mumbai - 400001

**Sub: Compliance as per regulation 52(4) 52 (5), 52(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30.09.2016**

**Ref: Scrip ID – 169779 (Avanse Financial Services Limited)**

Dear Sir,

With reference to the above subject, we submit herewith the information and documents as per the provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

1. Unaudited Half Yearly Financial results for the period ended September 30, 2016 with Limited Review Report as per regulation 52 (4)
2. Noting Certificate as per Regulation 52 (5)
3. Statement of Material Deviation as per Regulation 52 (7)
4. Certificate of Asset Cover as per regulation 54

Kindly take the above on your records

Yours sincerely,  
for Avanse Financial Services Limited

  
Rakesh Dhanuka  
Company Secretary



Date: October 14, 2016

c.c.: Mr. Mahendra Mehta  
**System Support Services**  
209, Shivai Ind. Estate, 89, Andheri -Kurla Road,  
Sakinaka, Mumbai- 400 072.  
Tel No. 28500835/Fax No.28501438

c.c.: Mr. R.K. Kulkarni  
**Catalyst Trusteeship Limited**  
GDA House, Plot No. 85, Bhusari Colony (Right)  
Paud Road, Pune - 411038  
Tel No. 020- 254280081/Fax No.020-25280275

Avanse Financial Services Ltd.  
Registered & Corporate Office:  
Gr. Floor, Madhava Building,  
Bandra Kurla Complex, Near Family Court,  
Bandra(E), Mumbai – 400051

T +91 22 7111 2233  
F +91 22 7111 2234  
www.avanse.com

**Avanse Financial Services Limited**  
**Half Yearly Financial Results for the Period Ended September 30, 2016**  
(As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Unaudited Financial Results for the half year ended September 2016</b>				
Particulars	Six months ended 30/09/2016	Six months ended 30/09/2015	For the year ended 31/03/2016	For the year ended 31/03/2015
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
				(Rs. In lacs)
1. Interest earned (a)+(b)+(c)+(d)	4,327.41	2,121.10	5,174.52	1,547.24
(a) Interest on advances	4,118.94	1,992.68	4,930.30	1,493.64
(b) Income on investments	208.47	128.41	244.22	53.60
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-	-
(d) Others	-	-	-	-
2. Other Income	639.72	375.82	653.09	430.83
3. Total Income (1+2)	4,967.13	2,496.91	5,827.61	1,978.07
4. Interest Expended	2,753.68	1,287.90	3,189.70	725.13
5. Operating Expenses (i)+(ii)+(iii)+(iv)	1,609.71	1,092.45	2,277.52	1,701.07
(i) Employees cost	684.08	463.60	960.32	749.46
(ii) Advertisement , Publicity and Business Promotion	252.88	168.35	281.08	353.61
(iii) Outsourcing expenses	166.57	115.69	270.57	182.00
(iv) Other operating expenses	506.18	344.81	765.55	416.00
6. Total Expenditure (4+5) excluding provisions and contingencies	4,363.39	2,380.36	5,467.22	2,426.20
7. Operating Profit before Provisions and Contingencies (3-6)	603.74	116.56	360.39	(448.13)
8. Provisions (other than tax) and Contingencies	111.13	55.74	102.24	47.43
9. Exceptional Items	-	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	492.62	60.82	258.15	(495.56)
11. Tax expense	12.78	-	9.84	-
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	505.40	60.82	267.99	(495.56)
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	505.40	60.82	267.99	(495.56)
15. Paid-up equity share capital (Face value of Rs. 10 each)	3,316.75	2,520.73	3,316.75	2,520.73
16. Reserves excluding Revaluation reserves	10,653.75	6,757.10	10,148.36	6,696.28
17. Analytical Ratios				
(i) Capital Adequacy Ratio	21.99	23.74	29.54	37.94
(ii) Earnings Per Share (EPS)	1.52	0.24	1.06	(3.02)
Basic	1.52	0.24	1.06	(3.02)
Diluted	1.52	0.24	1.06	(3.02)
18. NPA Ratios				
(a) Gross NPA	133.48	3.49	28.47	Nil
(b) Net NPA	116.99	3.11	25.62	Nil
(c) % of Gross NPA	0.18%	0.01%	0.05%	Nil
(d) % of Net NPA	0.16%	0.01%	0.05%	Nil
(e) Return on Assets	1.43%	0.22%	0.59%	-1.47%

*Handwritten signature*

Notes (as per RBI requirements)

1. Employee cost under Operating expenses includes all forms of consideration given by the company in Exchange for services rendered by employees. It also includes provisions for post employment benefits such as gratuity, pension, other retirement benefits, etc.
2. Advertisement expenses of Rs 294 lakhs incurred during Q1 FY2017, is being amortised over the balance period in FY 16-17. As a result of which Rs 131 lakhs has been charged to P&L till Sept 2016."


3. Credit Rating

Rating Agency	Type of Instrument	Credit Rating at the time of Issue
CARE Ratings	Non-Convertible Debentures	AA + (SO)
CARE Ratings	Subordinate Debentures	AA (SO)
BRICKWORKS Ratings	Non- Convertible/Subordinate Debentures	AA + (SO)

4. The latest Credit Rating in respect of the said issues is mentioned above and we confirm that credit rating is not downgraded in respect of any of the above issues, since the respective dates of the said NCDs issues.
5. The Debt Equity Ratio is 4.5
6. Asset Cover Ratio is 1.38
7. The Previous due date of payment of Interest and Principal was August 01, 2016. The Company had discharged the interest and principal due on that date. The next due date for payment of interest and principal is January 31, 2017. The Company does not expect default in payment of principal / interest due in next half year
8. Net Worth of the company as on 30 September 2016 is Rs.139.71Cr.

Place: Mumbai  
Date: October 14, 2016

For Avanse Financial Services Limited

  
Kapil Wadhawan  
Chairman

# T R Chadha & Co LLP

## Chartered Accountants

502, Marathon Icon,  
Off. Ganpatrao Kadam Marg  
Opp. Peninsula Corporate Park  
Lower Parel, Mumbai - 400 013  
Tel.: 022-49669000  
Fax.: 022-49669023  
Email:mumbai@trchadha.com



### 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 30<sup>th</sup> September 2016. 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 LLP  
Chartered Accountants  
Firm Regn. No: 006711N / N500028



*Vikas Kumar*

Vikas Kumar  
Partner  
Membership Number: 75363

Place: Mumbai  
Date: 14<sup>th</sup> October 2016

T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP  
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015)

Corporate Office : B-30, Connaught Place, Kirti Bhawan Building, New Delhi - 110001  
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com  
Regd. Office : Suite No. 11A, 2<sup>nd</sup> Floor, Gobind Mansion, H-Block, Connaught Circus, New Delhi - 110001  
Phone : 011 41513059 / 41513169

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



# LAHOTI NAVNEET & CO.

## Chartered Accountants

516, The Summit Business Bay, Near Cinemax, Chakala, Andheri (E), Mumbai 400093  
Phone 022-26825516 / 09324236755 email : [lahotinavneetandco@gmail.com](mailto:lahotinavneetandco@gmail.com)

Ref: Avanse/ACR/2016-17/04

### TO WHOM SO EVER IT MAY CONCERN

This is to certify that **Avanse Financial Services Limited** ("The Company") having its registered office at Ground Floor, Madhava Building, Bandra-Kurla-Complex, Bandra (E), Mumbai - 400 051, have Asset Coverage ratio of 1.38 as on 30<sup>th</sup> September 2016, detailed working is given as below:

Assets	Amount ( in Crores)
Fixed Assets	1.01
Education Loan	732.33
Other Long-term loans and advances	9.98
Net Current Assets	22.33
<b>Total (A)</b>	<b>765.64</b>
Secured Loan	
Banks	483.75
Non convertible Debentures	70.00
<b>Total (B)</b>	<b>553.75</b>
<b>Asset Coverage Ratio (A / B)</b>	<b>1.38</b>

Note 1. The above figures are taken from Reviewed Balance Sheet as on 30.09.2016.

2. The education loan does not includes Rs.133.48 lakhs, which are categorized as NPA.

This certificate is issued on the basis of verification of relevant records, information and explanations given by the management. This certificate is issued on the specific request of the Company without any liability on our part.

**For Lahoti Navneet & Co.**

Chartered Accountants

FRN: 116870W

  
**CA Sanjay Soni**

Partner

M.N. 114835

Date: 13<sup>th</sup> October 2016

Place: Mumbai





**CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”), provided to us by **Avanse Financial Services Ltd.** (“**the Company**”) for the Half year ended September 30, 2016.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

*S. B. Halawade*

Authorised Signatory

Date: October 14, 2016

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**Catalyst Trusteeship Limited.**

Pune Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038. CIN. U74999PN1997PLC110262

Tel: +91-20-25280081 Fax: +91-20-25280275

Mumbai Office : Office No. 83-87, 8th floor, Mittal Tower, 'B' Wing, Nariman Point, Mumbai - 400 021. Tel: +91-22-49220555 • Fax: +91-22-49220505

Bengaluru Office : D II - 207, Shriram White House, Netaji Shubhashchandra Bose Road, 15th Cross, 6th Main, R. T. Nagar, IndBank, Bengaluru - 560 032.

Delhi Office : B-22, Ansal Chambers - 1, 3, Bhikaji Kama Place, New Delhi - 110066.

Chennai Office : First Floor, No. 28, Ganapathy Colony, III Street, Teynampet, Chennai - 600 018.

Avanse/NCD/27-2016

The Manager  
Listing Department  
Bombay Stock Exchange of India Limited,  
P.J. Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sirs,

**Re.: Statement of Material Deviations as per Regulation 52(7) of SEBI (Listing Obligations and Disclosure Requirements) 2015**

Dear Sir/Madam,

We hereby declare that there has been no material deviation in the use of the proceeds received from the issue of Secured/Unsecured Non Convertible Debentures issued for the Half Year Ended September 30, 2016 from the object/s stated in the offer document/s of the said issued.

Kindly acknowledge the receipt and take the same on your records.

Thanking you

Yours sincerely,  
for Avanse Financial Services Limited



Rakesh Dhanuka  
Company Secretary



Date: October 14, 2016

c.c.: Mr. Mahendra Mehta  
**System Support Services**  
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A DHFL Group Company

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