

Avanse/NCD/11-2016

May 10, 2016

The Manger  
Listing Department,  
Bombay Stock Exchange of India Limited  
P.J. Towers,  
Dalal Street  
Mumbai - 400001

**Sub: Compliance as per regulation 52(4) and 52 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31.03.2016**

**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 Uniform Listing Agreement entered into with the Stock Exchanges where Debt Securities of the Company are listed and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

1. Please find the following information as per regulation 52 (4)
  - a. The company's Secured Non –convertible Debentures have been rated CARE AA+(SO) by CARE rating and , BWR AA+(SO) by Brickwork Ratings. The Company's Unsecured Non Convertible Subordinate Debentures have been rated, CARE AA(SO) by CARE ratings and BWR AA+ (SO) by Brickwork Ratings. There is no change in the credit ratings during the reporting period
  - b. Debt-equity ratio as on 31st March 2016 was - 3.60
  - c. 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 - **Refer Annexure A**
  - d. 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 - **Refer Annexure B**
  - e. Debenture Redemption Reserve – Not Applicable
  - f. Net worth of the Company as on 31<sup>st</sup> March 2016 - Rs 134.65 crore
  - g. Net profit after tax as on 31<sup>st</sup> March 2016 - Rs 2.68 crore
  - h. Earnings per share as on 31<sup>st</sup> March 2016 - 1.06

Avanse Financial Services Ltd.  
Registered & Corporate Office:  
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www.avanse.com

A DHFL Group Company


ASPIRE WITHOUT BOUNDARIES

CIN : U67120MH1992PLC068060 - Formerly known as Avanse Financial Services Pvt. Ltd. & Abhivruddhi Holdings Private Limited



2. Half Yearly Financial results for the period ended March 31, 2016 – Refer Annexure C
3. Noting Certificate as per Regulation 52 (5) – Separately Annexed
4. Annual Audited Financial Results – Separately Annexed

Thanking you,  
For Avanse Financial Services Limited

  
Koustubh Shaha  
CFO



Encl. Annexure A to C

**ANNEXURE B**

**Details of redemption & interest due in the next half-year i.e. 01.04.2016 to 30.09.2016:**

Series / Tranche	Type (Principal / Interest)	Due date of payment	Amount (Rs.)
001	Interest	August 1, 2016	2,53,18,989
002	Interest	August 1, 2016	98,85,246
003	Interest	August 1, 2016	1,49,01,639
Series 2 Tranche 2	Interest	August 1, 2016	41,39,481
Sub Debt Series 1	Interest	August 1, 2016	98,97,541

Company does not expect default in payment of principal / interest due in next half year.



**ANNEXURE C**

**Half Yearly Financial Results for the Period Ended March 31, 2016**  
(As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Particulars	Six months ended 31/03/2016	Six months ended 31/03/2015	For the year ended 31/03/2016	For the year ended 31/03/2015
	(Reviewed)	(Unaudited)	(Audited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	3,053.42	1,028.24	5,174.52	1,547.24
(a) Interest on advances	2,937.62	1,014.82	4,930.30	1,493.64
(b) Income on investments	115.80	13.42	244.22	53.60
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-	-
(d) Others	-	-	-	-
2. Other Income	277.27	244.23	653.09	430.83
3. Total Income (1+2)	<b>3,330.69</b>	<b>1,272.47</b>	<b>5,827.60</b>	<b>1,978.07</b>
4. Interest Expended	1,901.79	566.72	3,189.70	725.13
5. Operating Expenses (i)+(ii)+(iii)+(iv)	1,185.06	956.60	2,277.52	1,701.06
(i) Employees cost	496.72	461.22	960.32	749.46
(ii) Advertisement , Publicity and Business Promotion	112.73	166.93	281.08	353.61
(iii) Outsourcing expenses	154.88	99.83	270.57	182.00
(iv) Other operating expenses	420.73	228.61	765.55	416.00
6. Total Expenditure (4+5) excluding provisions and contingencies	<b>3,086.86</b>	<b>1,523.32</b>	<b>5,467.22</b>	<b>2,426.20</b>
7. Operating Profit before Provisions and Contingencies (3-6)	243.84	(250.85)	360.38	(448.12)
8. Provisions (other than tax) and Contingencies	46.50	32.14	102.24	47.43
9. Exceptional Items	-	-	-	-
10. Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	<b>197.34</b>	<b>(282.98)</b>	<b>258.14</b>	<b>(495.55)</b>
11. Tax expense	(9.84)	-	(9.84)	-
12. Net Profit(+)/ Loss(-) from Ordinary Activities after tax (10-11)	<b>207.18</b>	<b>(282.98)</b>	<b>267.99</b>	<b>(495.55)</b>
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net Profit (+)/ Loss (-) for the period (12-13)	207.18	(282.98)	267.99	(495.55)
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	10,148.36	6,696.28	10,148.36	6,696.28
17. Analytical Ratios				
(i) Capital Adequacy Ratio	29.54	37.94	29.54	37.94
(ii) Earnings Per Share (EPS)	1.06	-3.02	1.06	-3.02
Basic	1.06	-3.02	1.06	-3.02
Diluted	1.06	-3.02	1.06	-3.02
18. NPA Ratios				
(a) Gross NPA	28.47	Nil	28.47	Nil
(b) Net NPA	25.62	Nil	25.62	Nil
(c) % of Gross NPA	0.05%	Nil	0.05%	Nil
(d) % of Net NPA	0.05%	Nil	0.05%	Nil
(e) Return on Assets	0.39%	-1.42%	0.59%	-1.47%





**GDA Trustee**

Believe in yourself... Trust us!



**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, GDA 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 March 31, 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 GDA Trusteeship Limited**

*S. S. Kulkarni*

**Authorised Signatory**

Date: May 10, 2016

**GDA Trusteeship Ltd.**

**Mumbai Office :** Office No. 1, 2 and 3, 4th Floor, Rahimtoola House, 7, Homji Street, Fort, Mumbai 400 001 • **Tel :** +91-22-49220555 • **Fax :** +91-22-49220505

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

**Tel:** +91-20-25280081 • **Fax:** +91-20-25280275 • **Email :** dt@gdatrustee.com • **Web :** www.gdatrustee.com

**Bengaluru Office :** D II - 207, Shriram White house, Netaji Shubhashchandra Bose Road, 15th Cross, 6th Main, R. T. Nagar, IInd Block, Bengaluru - 560 032 • **Tel:** +91-80-2354 2436

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# T R Chadha & Co LLP

## Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Avanse Financial Services Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Avanse Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Management of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give

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a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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- e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors of the company, none of the directors of the company is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) There were no pending litigations which would impact the financial position of the company.
  - (ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn. No: 006711N/N500028

  
Kashyap Vaidya  
Partner  
Membership Number: 37623

Place: Mumbai  
Date: 25<sup>th</sup> April 2016

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### Avanse Financial Services Limited – March 2016

#### Annexure Referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us, the company has physically verified its assets during the previous year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verifications.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is a service company, providing educational loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company

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did not have any dues on account of sales tax, employees' state insurance, value added tax, duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed dues of income tax or service tax as on 31.03.2016.

- (viii) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowing to banks /debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). However it has raised money by way of term loans during the year and the same were applied for the purposes for which those are raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, managerial remuneration has not been paid or provided for during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn. No: 006711N/N500028

  
Kashyap Valdia  
Partner  
Membership Number: 37623

Place: Mumbai  
Date: 25<sup>th</sup> April 2016

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### Auditor's report to the Board of Directors of Avanse Financial Services Ltd.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, we state that:

1. The Company is engaged in the business of Non-Banking Financial Institution and has obtained the Certificate of Registration as provided in section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) dated 5<sup>th</sup> February 2004 No. B.13.01704 from Reserve Bank of India.
2. The Company is entitled to continue to hold the Certificate of Registration in terms of Asset/ income pattern as on 31<sup>st</sup> March 2016.
3. The Board of Directors has during the year passed a Resolution for non-acceptance of any Public Deposits.
4. The Company has not accepted any "Public Deposit" in the financial year ended 31<sup>st</sup> March 2016.
5. According to information & Explanation given to us, the Company has complied with the Prudential Norms relating to Income recognition, Accounting Standards, Asset Classification and Provision for Bad & Doubtful Debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting & Holding) Companies Prudential Norms (Reserve Bank of India) Directions, 2015 and Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
6. In respect of Systemically Important Non-deposit taking NBFCs as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015:
  - (i) The capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and such ratio is in compliance with the minimum CRAR prescribed by the Bank;
  - (ii) The company has furnished to the Bank the annual statement of capital funds, risk assets / exposures and risk asset ratio (NBS-7) within the stipulated period.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Registration No. 006711N / N500028



Kashyap Vaidya  
Partner  
Membership No. 37623

Place: Mumbai  
Date: 25<sup>th</sup> April, 2016

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# LAHOTI NAVNEET & CO.

## Chartered Accountants

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Email :lahotinavneetandco@gmail.com Phone 022-28850238 / 09324236755

Ref: Avanse/ACR/2016-17/02

### 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 for Secured Non Convertible Debenture (ACR for NCD) of 2.83 as on 31<sup>st</sup> March 2016, detailed working is given as below:

Assets	₹ in crores
Fixed Assets	0.86
Education Loans	529.35
Other Long-term Loans and Advances	4.01
Net Current Assets	93.15
<b>Total Assets (A)</b>	<b>627.37</b>
<b>Secured Loans</b>	<b>₹ in crores</b>
Banks	390.38
Non Convertible Debentures	70.00
<b>Total Loans (B)</b>	<b>460.38</b>
<b>Assets Available for Banks (Refer Note 3)</b>	<b>429.42</b>
<b>Assets Available for Secured NCD (Refer Note 4)</b>	<b>197.95</b>
<b>Assets Coverage Ratio of NCD</b>	<b>2.83</b>

Note 1. The above figures are taken from signed Balance Sheet as on 31.03.2016.

2. The education loan does not includes Rs.28.46 lakhs, which is due for more than 150 days.

3. Assets available to banks is taken as 1.1 times of Secured Bank Borrowings as on 31.03.2016.

4. Assets available to Secured Debenture holder is calculated as difference of Total Assets and assets available to Banks.

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 Sneha Baldi

Partner

M.N. 146350

Date: 12<sup>th</sup> May 2016

Place: Mumbai

