

November 06, 2018

BSE Limited

PJ Towers,
Dalal Street, Fort,
Mumbai- 400 001

Dear Sir/ Madam,

Sub: Certificate from Debenture Trustee

Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Regulations), we hereby enclose the certificate from the Debenture Trustee for the half year ended September 30, 2018.

Kindly take the same on record.

Thanking You

Yours faithfully

For **Karvy Financial Services Limited**


Meenal Talesara

Company Secretary & Compliance Officer

M.No: A22658

Address: Karvy Millennium, Plot No.31,
Financial District, Gachibowli,
Hyderabad - 500 032, Telangana



Encl: As above

Karvy Financial Services Limited

Registered Office : 705/706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg,
Opp. Guru Nanak Hospital, Bandra(E), Mumbai - 400051
Tel. : +91-22-3015 2700 Fax. : 91-22-3015 2777 | www.karvyfinance.com
GIN NO. U67190MH2001PLC227379



ATSL/CO/18-19/6109

November 6, 2018

Karvy Financial Services Limited

705/706, 7th Floor, Hallmark Business Plaza,
Sant Dnyaneshwar Marg,
Opposite Guru Nanak Hospital,
Bandra (E), Mumbai 400 051

Kind Attn: Ms. Meenal Talesara

Dear Madam,

SUB: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015.

We write in our capacity as the Debenture Trustee for the Non-Convertible Debentures (NCDs) issued by **Karvy Financial Services Limited** ("Company") and listed on the BSE Limited ("**Listed Debt Securities**").

Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company in terms of Regulation 52(4).

in pursuance thereof we hereby confirm that we have received the said information vide your letter dated November 6, 2018 (enclosed herewith) along with the relevant/necessary supporting and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Thanking You,
Yours Faithfully
For **Axis Trustee Services Limited**


Mangalagowri Bhat
Senior Manager

AXIS TRUSTEE SERVICES LTD.

(A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

REGISTERED OFFICE: Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

CORPORATE OFFICE: Axis Trustee Services Limited | The Ruby | 2nd Floor | SW | 29 Senapati Bapat Marg | Dadar West | Mumbai- 400 028

Tel. No.: 022 6230 0451 • Website: www.axistrustee.com

S S M S & Co
Chartered Accountants,
SRT - 481, Near Neeva High School,
Sanath Nagar,
Hyderabad – 500 018

B S R & Associates LLP
Chartered Accountants,
Salarpuria Knowledge City, Orwell,
6th Floor, Unit-3, Survey No. 83/1,
Raidurg, Hyderabad – 500 081

Limited review report on unaudited half yearly financial results pursuant to Regulation 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

To
The Board of Directors of
Karvy Financial Services Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Karvy Financial Services Limited ('the Company'), for the half year ended 30 September 2018 (the Statement), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the Listing Regulations. 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 results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are 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.
3. 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 accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 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 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.



S S M S & Co
Chartered Accountants,
SRT - 481, Near Neena High School,
Sanath Nagar,
Hyderabad – 500 018

B S R & Associates LLP
Chartered Accountants,
Salarpuria Knowledge City, Orwell,
6th Floor, Unit-3, Survey No. 83/1,
Raidurg, Hyderabad – 500 081

4. The financial results for the half year ended 30 September 2017 were reviewed by another auditor whose report dated 22 December 2017 expressed unmodified opinion on those results.

for S S M S & Co
Chartered Accountants
ICAI Firm Registration Number: 014358S

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Madhusudhana Reddy



Madhusudhana Reddy K.S
Partner
Membership Number: 231770

Place : Hyderabad
Date : 6 November 2018

Arpan Jain



Arpan Jain
Partner
Membership Number: 125710

Place : Hyderabad
Date : 6 November 2018

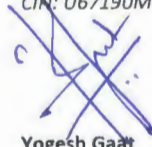
Karvy Financial Services Limited
CIN: U67190MH2001PLC227379
Registered office address: 705 and 706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Mumbai - 400051
Unaudited Balance Sheet as at September 30, 2018

Particulars	(All amounts in ₹ Lakhs)	
	As at September 30, 2018 (Unaudited)	As at March 31, 2018 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	7,825.00	7,825.00
Reserves and surplus	33,397.62	32,845.50
	41,222.62	40,670.50
Non-current liabilities		
Long-term borrowings	11,710.80	14,519.40
Long-term provisions	1,771.62	2,607.64
	13,482.42	17,127.04
Current liabilities		
Short-term borrowings	-	2,285.51
Trade payables		
Total outstanding due to micro and small enterprises	-	-
Total outstanding due to creditors other than micro and small enterprises	22.77	65.60
Other current liabilities	5,454.92	5,590.49
Short-term provisions	1,528.03	458.30
	7,005.72	8,399.90
TOTAL	61,710.76	66,197.44
ASSETS		
Non-current assets		
Property, plant and equipment	106.82	109.94
Intangible assets	2.93	3.43
Non-current investments	8,050.05	3,924.68
Deferred tax asset (net)	1,152.22	1,038.08
Long-term loans and advances	11,172.86	18,551.75
	20,484.88	23,627.87
Current assets		
Cash and bank balance	5,731.52	21,027.97
Short-term loans and advances	30,259.10	17,995.83
Other current assets	5,235.26	3,545.77
	41,225.88	42,569.57
TOTAL	61,710.76	66,197.44



11/6/18

For and on behalf of the Board of Directors of
Karvy Financial Services Limited
CIN: U67190MH2001PLC227379


Yogesh Gaat

CEO and Managing Director
DIN: 07189252



Place: Hyderabad
Date: November 6, 2018

Karvy Financial Services Limited
CIN: U67190MH2001PLC227379
Registered office address: 705 and 706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Mumbai - 400051
Statement of Unaudited financial results for the half year ended September 30, 2018

(All amounts in ₹ Lakhs, except per share data)

Particulars	For the half year ended		Year to date Figures for the Half year ended	Year Ended
	September 30, 2018	September 30, 2017	September 30, 2018	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue				
Revenue from operations	2,595.22	11,426.03	2,595.22	14,713.57
Other income	2,969.68	-	2,969.68	15.14
Gain on disposal of business	-	26,100.00	-	26,193.99
Total revenue	5,564.90	37,526.03	5,564.90	40,922.70
Expenses				
Operating expenses	2,713.67	23,296.99	2,713.67	22,423.39
Employee benefits	551.13	1,999.75	551.13	2,265.47
Finance costs	1,083.25	10,034.16	1,083.25	11,195.71
Depreciation and amortisation	10.73	178.24	10.73	244.79
Other expenses	768.15	1,378.29	768.15	2,775.34
Total expense	5,126.93	36,887.43	5,126.93	38,904.70
Profit / (loss) before tax	437.97	638.60	437.97	2,018.00
Income tax expenses				
Current tax	-	-	-	198.94
Deferred tax	(114.15)	436.20	(114.15)	643.21
Profit / (loss) after tax	552.12	202.40	552.12	1,175.85
Profit for the year from discontinuing operations before tax	-	-	-	(1,522.70)
Income tax expense of discontinuing operations				
Current tax	-	-	-	(695.39)
Deferred tax	-	-	-	367.82
Profit for the year from discontinuing operations after tax	-	-	-	(1,195.13)
Earnings per equity share [nominal value of share: ₹ 10]*				
Basic	0.71	0.26	0.71	1.50
Diluted	0.71	0.26	0.71	1.50

* Not Annualised for Half Year.



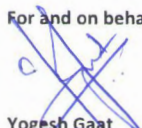
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Notes:

1. The above results were reviewed and recommended by the Audit Committee at its meeting held on November 6, 2018. The Board of Directors at its meeting held on November 6, 2018 approved the above results and its release.
2. There has been no material change in the accounting policies adopted during the half- year ended September 30, 2018 as compared to those followed for the year ended March 31, 2018.
3. The statutory auditors had carried out the Limited Review of the unaudited financial results of the Company for the half year ended on September 30, 2018, as required under regulation 52 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
4. The Company is primarily engaged in secured lending business. Further, the Company operates in single geographical segment (Domestic). Accordingly there is no reportable segment to be disclosed as required by Accounting Standard 17, 'Segment Reporting' in terms of Companies (Accounts) Rules, 2014 .
5. Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as certified by the Management are given in Annexure A.
6. Previous period / year figures have been regrouped / rearranged wherever necessary.

For and on behalf of the Board of Directors


Yogesh Gaat
CEO and Managing Director
DIN : 07189252
Place: Hyderabad
Date: November 6, 2018



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Annexure A

Disclosure under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2018

1. Credit Rating:

As at September 30, 2018

Particulars	Name of the Rating Agency	Rating
Long-term bank loans	ICRA Limited	ICRA A+ (SO) (Stable)*
Secured Non-Convertible Debentures	ICRA Limited	PP-MLD ICRA A+ (SO) (Stable)

*Rating is backed by the Corporate Guarantee given by parent company viz. Karvy Stock Broking Limited (KSBL).

As at March 31, 2018

Particulars	Name of the Rating Agency	Rating
Long-term bank loans	ICRA Limited	ICRA A+ (SO) (Stable)*
Secured Non-Convertible Debentures	ICRA Limited	PP-MLD ICRA A+ (SO) (Stable)
Unsecured Non-Convertible Debentures	ICRA Limited	ICRA A+ (SO) (Stable)

*Rating is backed by the Corporate Guarantee given by parent company viz. Karvy Stock Broking Limited (KSBL).

2. Debt – Equity Ratio of the Company as on September 30, 2018 is 0.39 and on March 31, 2018 is 0.53

3. The due date for the payment of interest / principal amount for debenture and the actual date of payment for the half year ended September 30, 2018 are as under: All interest and principal payments have been made on the due date.

Sr. No	ISIN	Series	BSE Scrip Code	From (01-04-2018 to 30-09-2018)	
				Interest	Principal
1	INE308L07492	B - 45 Type II	951694	June 05, 2018	June 05, 2018
2	INE308L07450*	B - 43 Type I	951527	June 29, 2018	June 29, 2018

* The interest and principal was paid on June 28, 2018.

4. Next due date for the payment of interest / principal:

Sr. No	ISIN	Series	BSE Scrip Code	From * (1-10-2018 to 31-03-2019)	
				Interest	Principal
1	INE308L08011	Karvy Financial Services Limited (Unsecured Debenture) Series 1	951687	February 11, 2019	-

*Should the interest / principal payment date falls on a Saturday, Sunday and / or on a Public Holiday, the same shall be paid on a day as mentioned in respective "Information Memorandum Offer" document.

5. **Debenture Redemption Reserve (DRR):** The Company, being an NBFC, is not required to create DRR in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.

6. **Net Worth:** ₹ 41,222.62 Lakhs

7. **Net Profit After Tax:** ₹ 552.12 Lakhs

8. **Earning per share:** ₹ 0.71 per share (Not annualised)



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