

May 02, 2019

BSE Limited

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

Dear Sir/ Madam,

Sub: Outcome of the Board Meeting – May 02, 2019

Pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Regulations), this is to inform you that the Board of Directors of the Company at their meeting held on May 02, 2019, have approved the Audited Financial Results for the financial year ended March 31, 2019, accordingly, we are enclosing herewith:-

- (i) A copy of the Audited Financial Results of the Company for the financial year ended March 31, 2019 together with the report issued by the Statutory Auditors of the company for the financial year ended March 31, 2019.

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

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

Independent Auditor's Report on Annual Financial Results

To
The Board of Directors of
Karvy Financial Services Limited

1. We have audited the accompanying financial results of Karvy Financial Services Limited ("the Company") for the year ended 31 March 2019 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulation'). Attention is drawn to the fact that the figures for the half year ended 31 March 2019 and the corresponding half year ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the half year of the relevant financial year. The figures for half year have only been reviewed and not subjected to audit.
2. These financial results have been prepared on the basis of the annual financial statements which are the responsibility of the Company's management and have been approved by the Board of Directors in the meeting held on 2 May 2019. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone annual financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.



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Karvy Financial Services Limited
Independent Auditor's report on Annual Financial Results (Continued)

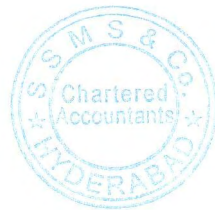
4. In our opinion and to the best of our information and according to the explanations given to us, these financial results:
- are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
 - give a true and fair view of the net profit and other financial information for the financial year ended 31 March 2019.
5. The financial results for the half year ended 30 September 2017 were reviewed by other auditors 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

Madhusudhana Reddy

Madhusudhana Reddy K.S
Partner
Membership Number: 231770

Place : Hyderabad
Date: 2 May 2019



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

Arpan Jain

Arpan Jain
Partner
Membership Number: 125710

Place : Hyderabad
Date: 2 May 2019



Karvy Financial Services Limited
CIN: U67190MH2001PLC227379

Registered office address: 705 and 706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opposite Guru Nanak Hospital, Bandra (East), Mumbai - 400 051

Balance Sheet as at March 31, 2019

Particulars	(All amounts in ₹ Lakhs)	
	As at March 31, 2019 (Audited)	As at March 31, 2018 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	7,825.00	7,825.00
Reserves and surplus	33,193.38	32,845.50
	41,018.38	40,670.50
Non-current liabilities		
Long-term borrowings	7,621.37	14,519.40
Long-term provisions	1,840.84	2,607.65
	9,462.21	17,127.05
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	127.05	26.29
Other current liabilities	4,830.99	5,622.30
Short-term provisions	212.36	458.30
	5,170.40	8,392.40
TOTAL	55,650.99	66,189.95
ASSETS		
Non-current assets		
Fixed assets		
1. Property, plant and equipment	182.62	109.94
2. Intangible assets	262.41	3.43
Non-current investments	7,732.61	3,924.68
Deferred tax asset (net)	815.14	1,038.08
Long-term loans and advances	11,010.88	18,551.75
	20,003.66	23,627.88
Current assets		
Cash and bank balance	3,969.21	21,027.97
Short-term loans and advances	31,005.71	17,988.33
Other current assets	672.41	3,545.77
	35,647.33	42,562.07
TOTAL	55,650.99	66,189.95

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: May 02, 2019



Karvy Financial Services Limited
CIN: U67190MH2001PLC227379
Registered office address: 705 and 706, 7th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opposite Guru Nanak Hospital,
Bandra (East), Mumbai - 400 051
Statement of Audited Annual Financial results for the year ended March 31, 2019

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

Particulars	For the half year ended		Year Ended	
	March 31, 2019 (Unaudited)	March 31, 2018 (Unaudited)	March 31, 2019 (Audited)	March 31, 2018 (Audited)
Revenue				
Revenue from operations	3,785.52	3,287.54	9,349.17	14,744.29
Other income	120.40	15.14	121.65	16.64
(Loss) / Gain on disposal of business (refer note 7)	-	93.99	-	26,193.99
Total revenue	3,905.92	3,396.67	9,470.82	40,954.92
Expenses				
NPA and other provisions (refer note 7)	1,459.57	(873.59)	4,173.24	22,048.12
Employee benefits	679.26	265.72	1,230.39	2,265.47
Finance costs	945.07	1,161.55	2,028.32	11,263.65
Depreciation and amortisation	41.58	66.55	52.31	244.79
Other expenses	669.02	1,397.06	1,437.17	3,114.90
Total expense	3,794.50	2,017.28	8,921.43	38,936.93
Profit / (loss) before tax	111.42	1,379.39	549.39	2,017.99
Income tax expenses				
Current tax	-	566.76	-	198.94
Current tax for prior years	(21.43)	-	(21.43)	-
Deferred tax	337.08	(160.81)	222.93	643.21
Profit / (loss) after tax	(204.23)	973.44	347.89	1,175.84
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	-	-	-	(1,195.13)
Earnings per equity share [nominal value of share: ₹ 10]*				
Basic	(0.26)	1.24	0.44	1.50
Diluted	(0.26)	1.24	0.44	1.50

* Not Annualised for Half Year.



Karvy Financial Services Limited

CIN: U67190MH2001PLC227379

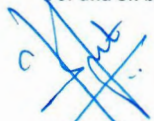
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Statement of Audited Annual Financial results for the year ended March 31, 2019

Notes:

1. The above results were reviewed and recommended by the Audit Committee at its meeting held on May 02, 2019. The Board of Directors at its meeting held on May 02, 2019 approved the above results and its release.
 2. There has been no material change in the significant accounting policies adopted during the year ended March 31, 2019 as compared to those followed for the year ended March 31, 2018.
 3. Figures for six months ended March 31, 2019 and March 31, 2018 represent the difference between the audited figures in respect of the full financial year and published figures of half year ended September 30, 2018 and September 30, 2017 respectively.
 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. The Rated, Listed, Secured, Market Linked Non- Convertible Debentures ("Secured NCDs") amounting to Rs. 2.90 crores have been redeemed during the year ended March 31, 2019. Also, the Rated, Listed, Unsecured Non- Convertible Debentures ("Unsecured NCDs") amounting to Rs. 18.80 crores have been repurchased during the year ended March 31, 2019.
 6. 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.
 7. The Company had executed a 'Business Transfer Agreement (BTA)' with M/s Small Business FinCredit India Private Limited (formerly Mape Finserve Private Limited) on August 01, 2017, to dispose a part of retail lending division of the company as a going concern on slump sales basis, free and clear of all encumbrances for a purchase consideration towards the transfer of identified loan assets/receivables (less any provisions) together with related fixed assets, current assets and current liabilities as on the date of sale. The members' approval in this regard was obtained in the extra-ordinary general meeting of the Company held on September 16, 2017. The transaction has been consummated on September 28, 2017. The Company recorded a pre-tax gain of ₹ 26,193.99 lakhs.
- Further, during the year ended March 31, 2019, in accordance with the terms of BTA, the Company has absorbed a net loss of Rs. 2,381 lakhs (included in "NPA and other provisions") in relation to non performing assets resulting from identified loan assets/ receivables disposed vide BTA.
8. In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, the Company hereby declares that the auditors have issued audit report with unmodified opinion on annual audited financial results for the year ended March 31, 2019.
 9. 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: May 02, 2019



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 and year ended March 31, 2019

1. Credit Rating and Change in Credit Rating :

As at March 31, 2019

Particulars	Name of the Rating Agency	Current Rating	Remarks
Long-term bank loans	ICRA Limited	[ICRA] BBB (Stable)*	Revised from [ICRA] A+ (SO) (Stable)
Unsecured Non-Convertible Debentures (NCDs)	ICRA Limited	[ICRA] BBB (Stable)*	Revised from [ICRA] A+ (SO) (Stable)
Secured Non-Convertible Debentures (NCDs)	ICRA Limited	Principal Protected NCD has been redeemed. Hence, credit rating is withdrawn.	

* The rating is issued on the Standalone basis of Karvy Financial Services Limited.

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 March 31, 2019 is 0.29 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 March 31, 2019 are as under: All interest payments have been made on the due date.

Sr. No	ISIN	Series	BSE Scrip Code	From (01-10-2018 to 31-03-2019)	
				Interest	Principal
1	INE308L08011	Karvy Financial Services Limited (Unsecured Debentures) Series 1	951687	February 11, 2019	-
2	INE308L08011	Karvy Financial Services Limited (Unsecured Debentures) Series 1	951687	March 19, 2019*	March 19, 2019*

* The Company had repurchased its 188 Unsecured Debenture of Face value of Rs. 10 Lakh each amounting to Rs. 18.80 crores and paid the interest on it till one day prior to pay-in date

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

Sr. No	ISIN	Series	BSE Scrip Code	From * (1-04-2019 to 30-09-2019)	
				Interest	Principal
There is no interest / principal repayment due for the next half year i.e. for the period April 1, 2019 to September 30, 2019.					

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: ₹ 41,018.38 Lakhs

7. Net Profit After Tax: ₹ 347.89 Lakhs

8. Earning per share: ₹ 0.44

