

B S R & Associates LLP
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Hyderabad – 500 034

Lalith Prasad and Co
402, Golden Green Apartments,
6-3-542/1, Erram Manzil Colony,
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Hyderabad – 500 082

**Limited Review Report to
To the Board of Directors of
Karvy Financial Services Limited**

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Karvy Financial Services Limited ('the Company') for the half year ended 30 September 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 29 of the listing agreement for debt securities issued by the Securities and Exchange Board of India ('Listing agreement'). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on 29 December 2014. Our responsibility is to issue a report on this Statement, 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" 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide 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 the applicable accounting standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for Debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement or 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 B S R & Associates LLP
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

for Lalith Prasad and Co
Chartered Accountant
Firm's Registration Number: 008089S

Sd/-
Sriram Mahalingam
Partner
Membership No. 049642

Sd/-
S. Lalith Prasad
Partner
Membership No. 023665

Hyderabad
29 December 2014

Hyderabad
29 December 2014

KARVY FINANCIAL SERVICES LIMITED


Registered Office: Building no 7, Office No. 762, 6th floor, Solitaire Corporate Park, Andheri East, Mumbai 400 093.
Statement of Unaudited Financial Results for the half year ended 30 September 2014

Particulars	Six months ended		Year ended
	30 September 2014	30 September 2013	31 March 2014
	Unaudited	Unaudited	Audited
1. Interest earned (a)+(b)+(c)+(d)	16,794.57	14,401.40	29,401.86
(a) Interest on advances	15,951.06	13,890.95	28,076.53
(b) Income on investments	27.64	32.39	64.59
(c) Interest on balances with Reserve Bank of India and other inter bank funds	-	-	-
(d) Others	815.87	478.06	1,260.74
2. Other Income	-	-	-
3. Total Income (1+2)	16,794.57	14,401.40	29,401.86
4. Interest expended	9,705.76	7,984.41	16,295.89
5. Operating expenses (i)+(ii)	4,265.97	3,766.75	7,558.50
(i) Employees cost	1,854.35	1,658.06	3,247.00
(ii) Other operating expenses	2,411.62	2,108.69	4,311.50
6. Total Expenditure (4+5) excluding provision and contingencies	13,971.73	11,751.16	23,854.39
7. Operating Profit before provisions and contingencies (3-6)	2,822.84	2,650.24	5,547.47
8. Provisions (other than tax) and contingencies	73.73	2.62	29.82
9. Exceptional items	-	-	-
10. Profit (+)/ Loss (-) from ordinary activities before tax (7-8-9)	2,749.11	2,647.62	5,517.65
11. Tax expense	890.08	905.64	1,883.01
12. Net Profit(+)/ Loss(-) from ordinary activities after tax (10-11)	1,859.03	1,741.98	3,634.64
13. Extraordinary items (net of tax expense)	-	-	-
14. Net Profit (+) Loss (-) for the period (12-13)	1,859.03	1,741.98	3,634.64
15. Paid-up equity share capital (Face Value Rs. 10 Per Share)	5,100.00	4,100.00	4,100.00
16. Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)	-	-	17,207.58
17. Analytical Ratios			
(i) Capital Adequacy Ratio	17.46%	21.62%	20.03%
(ii) Earnings Per Share (EPS)			
- Basic EPS	* 2.28	* 1.89	4.16
- Diluted EPS	* 2.28	* 1.89	4.16
18. NPA Ratios			
a) Gross Non performing assets (NPA)	201.31	209.83	254.47
b) Net NPA	177.75	188.85	229.02
c) % of Gross NPA to Gross advances	0.10%	0.13%	0.15%
d) % of Net NPA to Net advances	0.09%	0.12%	0.14%
e) Return on Assets (annualised) (PAT/Average Loan Assets)	2.08%	2.32%	2.39%
(* Not annualised)			

Notes:-

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the company at their meeting held on 29 December 2014
- The results for the half year ended 30 September 2014 have been subjected to a "Limited Review" by the statutory auditors of the Company.
- Previous year's/ period's figures have been regrouped/ reclassified, where necessary to confirm current year's classification.

For and on behalf of the board of Directors


Amit Saxena
Whole Time Director and CEO
DIN: 05248652

Place : Mumbai
Date: 29 December 2014

Karvy Financial Services Limited

Registered Office: 762, Building No. 7, 6th Floor, Solitaire Corporate Park, Andheri (East), Mumbai - 400093.

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CIN NO: U67190MH2001PLC227379