

Date: May 6, 2021

BSE Limited

The Listing Department
P.J. Towers,
Dalal Street,
Mumbai 400001

Dear Sir,

Sub : Submission of Audited Financial Result as per Regulations 52 under SEBI LODR Regulations, 2015

Ref : Scrip Code 952525

We wish to inform you that at the meeting of the Board of Directors held today i.e. on May 6, 2021, the Board have approved the Audited Financial Result of the Company for the half and financial year ended March 31, 2021, in terms of Regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With respect to the above, please find enclosed the following:

1. Audited Financial results
2. Auditor Report issued by the Statutory Auditor
3. Declaration for Unmodified Opinion

You are requested to take note of the above.

Thanking You,

Yours Faithfully,

For **Avanse Financial Services Limited**



Rakesh Dhanuka
Company Secretary

c.c.: Mr. R.K. Kulkarni

Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony (Right)
Paud Road, Pune – 411038



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AVANSE FINANCIAL SERVICES LIMITED
STATEMENT OF AUDITED FINANCIAL RESULTS FOR HALF YEAR AND YEAR ENDED MARCH 31, 2021

(Rs. in Lakh)

Sr. No.	Particulars	Half year ended		Year ended	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		(Refer Note 3)	(Refer Note 3)	Audited	Audited
1	Revenue from operations				
(a)	Interest income	18,927.16	18,977.32	38,253.38	38,397.89
(b)	Fees and commission income	972.90	788.96	1,337.43	1,145.13
(c)	Net gain on fair value changes	140.86	740.76	452.06	947.84
(d)	Net gain on derecognition of financial instrument under amortised cost category	-	517.50	-	842.69
(e)	Other operating income	475.29	321.64	773.91	594.40
	Total revenue from operations	20,516.21	21,346.18	40,816.78	41,927.95
	Other income	1,449.86	909.60	3,072.35	1,450.33
	Total income	21,966.07	22,255.78	43,889.13	43,378.28
2	Expenses				
(a)	Finance costs	11,998.70	12,823.14	25,609.17	24,888.41
(b)	Impairment on financial instruments	845.04	1,750.47	2,231.78	2,009.38
(c)	Employee benefits expense	3,040.74	2,468.48	5,933.73	5,466.88
(d)	Depreciation and amortisation expense	732.06	536.77	1,384.69	949.88
(e)	Other expenses	2,228.92	2,202.63	3,874.99	4,040.05
	Total expenses	18,845.46	19,781.49	39,034.36	37,354.60
3	Profit before exceptional items and tax (1-2)	3,120.61	2,474.29	4,854.77	6,023.68
4	Exceptional items (refer note 4)	-	-	-	2,856.99
5	Profit before tax (3-4)	3,120.61	2,474.29	4,854.77	3,166.69
6	Tax expense				
(a)	Current tax	925.19	973.06	1,682.95	1,208.73
(b)	Tax adjustment in respect of earlier year	-	-	(169.58)	-
(c)	Deferred tax	(137.95)	(324.05)	(448.46)	(194.48)
	Total tax expenses	787.24	649.01	1,064.91	1,014.25
7	Net profit after tax for the period/year (5-6)	2,333.37	1,825.28	3,789.86	2,152.44
8	Other comprehensive income				
(A)	Items that will not be reclassified to profit or loss				
(i)	Actuarial gain / (loss) on post retirement benefit plans	25.80	27.41	68.40	18.95
(ii)	Income tax on above	(6.49)	(6.90)	(17.21)	(4.77)
	Subtotal (A)	19.31	20.51	51.19	14.18
(B)	Items that will be reclassified to profit or loss				
(i)	Fair value gain / (loss) on derivative financial instrument	124.99	-	(107.81)	-
(ii)	Income tax on above	(31.46)	-	27.13	-
	Subtotal (B)	93.53	-	(80.68)	-
	Total other comprehensive income (A+B)	112.84	20.51	(29.49)	14.18
9	Total comprehensive Income (7+8)	2,446.21	1,845.79	3,760.37	2,166.62
10	Paid up equity share capital (Face value Rs.10/- per share)	8,259.19	8,259.19	8,259.19	8,259.19
11	Other equity			85,901.14	81,734.78
12	Earnings per equity share				
	Basic EPS (in Rs.) (Not annualised for half year)	2.83	2.21	4.59	2.83
	Diluted EPS (in Rs.) (Not annualised for half year)	2.83	2.21	4.59	2.83



[Handwritten Signature]

AVANSE FINANCIAL SERVICES LIMITED
STATEMENT OF AUDITED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in Lakh)

Sr. No.	Particulars	As at March 31, 2021 Audited	As at March 31, 2020 Audited
	ASSETS		
(1)	Financial assets		
(a)	Cash and cash equivalents	42,076.28	64,340.04
(b)	Bank balance other than (a) above	998.55	998.55
(c)	Loans	2,92,616.55	2,80,074.61
(d)	Investments	5,502.06	12,500.68
(e)	Other financial assets	1,643.98	1,381.60
		3,42,837.42	3,59,295.48
(2)	Non-financial assets		
(a)	Current tax assets (net)	174.19	352.21
(b)	Deferred tax assets (net)	1,195.28	736.89
(c)	Property, plant and equipment	651.63	772.08
(d)	Other intangible assets	887.44	930.49
(e)	Intangible assets under development	82.66	161.14
(f)	Right of use assets	773.56	991.52
(g)	Other non-financial assets	1,107.27	703.36
		4,872.03	4,647.69
	Total assets	3,47,709.45	3,63,943.17
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	Financial liabilities		
(a)	Derivative financial instruments	190.31	-
(b)	Trade payables		
(i)	total outstanding dues of micro and small enterprises	8.41	0.59
(ii)	total outstanding dues of creditors other than micro and small enterprises	1,745.74	1,123.96
(c)	Debt securities	97,368.59	74,916.63
(d)	Borrowings (other than debt securities)	1,37,088.82	1,71,946.69
(e)	Other financial liabilities	16,360.96	24,870.95
	Total financial liabilities	2,52,762.83	2,72,858.82
(2)	Non-financial liabilities		
(a)	Current tax liabilities (net)	409.74	458.03
(b)	Provisions	43.66	410.56
(c)	Other non-financial liabilities	332.89	221.79
	Total non-financial liabilities	786.29	1,090.38
(3)	EQUITY		
(a)	Equity share capital	8,259.19	8,259.19
(b)	Other equity	85,901.14	81,734.78
	Total equity	94,160.33	89,993.97
	Total liabilities and equity	3,47,709.45	3,63,943.17



Notes:

- 1 The above results have been reviewed and recommended for Board approval by the Audit Committee and approved by the Board of Directors at the meeting held on May 06, 2021.
- 2 The above audited financial results have been prepared as per format prescribed in Regulation 52 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016 ("the Regulation").
- 3 The Statement includes the results for the half year March 31, 2021 and March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the half year of the respective financial year which were subject to limited review.
- 4 Pursuant to the Share Purchase Agreement dated March 16, 2019, the outgoing shareholder had sold its stake during the year ended March 31, 2020 and consequently the Company became a subsidiary of Olive Vine Investment Ltd. The Company had incurred a one time expense towards professional and other services in connection with above transaction and also incurred a fee for significant modification of terms of insurance distribution agreement aggregating to Rs.2,856.99 lakhs. The same is considered as an exceptional item during the previous year ended March 31, 2020.
- 5 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Management has considered internal and external information up to the date of approval of these financial results, and has estimated overlays and made certain judgements in accordance with the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost.

The impairment provision as on March 31, 2021 aggregates Rs. 5938 lakh (as on March 31, 2020 - Rs. 3706 lakh) which includes potential impact on account of the pandemic of Rs. 1546 lakh (as on March 31, 2020 - Rs. 700 lakh). Based on the current indicators of future economic conditions, the Company considers these provisions to be adequate.

The extent to which the pandemic including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition the impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

- 6 (i) In light of the Ministry of Finance's circular dated 23 October, 2020, the Company has determined interest on interest for the moratorium period from 1 March, 2020 to 31 August, 2020 aggregating Rs. 320.77 Lakh payable to all customers having an outstanding balance as on 29 February 2020 of upto Rs. 2 crore and irrespective of whether these customers have availed moratorium or not.
The Company has given credit / refunded the above amounts to the respective customer account and has filed a claim as per aforesaid circular and have recorded a receivable from government.
(ii) Further, in light of the recent Supreme Court Judgement dated 23 March 2021 and RBI Circular dated 7 April 2021, the Company has accounted a liability for Rs. 78.28 Lakh towards customers other than those covered above in respect of interest on interest / penal interest charged by the Company. Out of this, Rs. 19.63 Lakh is in respect of assigned portfolio and hence accounted as recoverable from the assignees. Balance amount has been charged to the Statement of Profit and Loss.
- 7 The Company has granted 4,64,741 ESOPs during the year ended March 31, 2021 (34,27,772 ESOPs in the Previous year ended March 31, 2020) in accordance with the Company's Employee Stock Option Scheme(s).
- 8 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 9 Information as required by Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is as per Annexure T attached.
- 10 The Company operates in a single reportable operating segment of providing loans as per the requirement of Ind AS 108 - Operating Segment.
- 11 The Secured Listed Non-Convertible Debt Securities of the Company are secured by first pari-passu charge on the fixed assets owned by the Company and by first pari-passu charge by way of hypothecation over receivables and current assets both present and future as stated in the respective Debenture Trust Deeds. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.
- 12 The figures for the previous period/year have been regrouped / reclassified wherever necessary to conform to the current period's/year's presentation.



Place : Mumbai
Date : May 06, 2021



For Avanse Financial Services Limited

Neeraj Swaroop
Chairperson
DIN - 00061170

Annexure I

(i) Details of payment of principal and interest of Non-Convertible Debentures as required under regulation 52(4)(d) and Regulation 52(4)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 are as under :

Name of Debt Instruments	ISIN	Credit rating	Previous Due Date for Payment of Interest & Principal	Actual Date of payment for previous interest	Next Due Date for Payment of Interest	Next Due Date for Payment of Principal	Next Interest Amt. (Rs. In Lakh)
10.10% Non- Convertible Debentures	INE087P07022	CARE A+ (Stable); BWR A+ (Stable)	31-Jul-20	31-Jul-20	31-Jul-21	31-Jul-25	252.50
10.05% Non- Convertible Debentures (Partial Redemption on 06.10.2020)	INE087P07030	CARE A+ (Stable); BWR A+ (Stable)	31-Jul-20	31-Jul-20	31-Jul-21	08-Aug-22	50.25
10.10% Non- Convertible Debentures	INE087P07048	CARE A+ (Stable); BWR A+ (Stable)	31-Jul-20	31-Jul-20	31-Jul-21	07-Aug-25	151.50
9.55% Non- Convertible Debentures (Redeemed on 26.10.2020)	INE087P07055	CARE A+ (Stable); BWR A+ (Stable)	26-Oct-20	26-Oct-20	-	-	-
9.65% Non- Convertible Debentures	INE087P07063	CARE A+ (Stable); BWR A+ (Stable)	31-Jul-20	31-Jul-20	31-Jul-21	26-Feb-23	96.50
10.50% Non- Convertible Debentures (Sub debt)	INE087P08012	CARE A (Stable); BWR A+ (Stable)	31-Jul-20	31-Jul-20	31-Jul-21	16-Mar-24	262.50
9.50% Non- Convertible Debentures (Sub debt)	INE087P08020	CARE A (Stable); BWR A+ (Stable)	31-Jan-21	31-Jan-21	31-Jan-22	30-Jun-27	237.50
8.65% Non- Convertible Debentures (Redeemed on 02.11.2020)	INE087P07089	CARE A+ (Stable); BWR A+ (Stable)	02-Nov-20	02-Nov-20	-	-	-
9.35% Non- Convertible Debentures (Sub debt)	INE087P08038	CARE A (Stable); BWR A+ (Stable)	31-Jan-21	31-Jan-21	31-Jan-22	27-Dec-27	233.75
8.70% Non- Convertible Debentures (1 Year MCLR of State Bank of India + 1.70%)	INE087P07105	CARE A+ (Stable);	12-Jul-20	10-Jul-20	12-Jul-21	12-Jul-21	2,175.00
11.40% Non- Convertible Debentures	INE087P07113	CARE A+ (Stable);	12-Dec-20	12-Dec-20	12-Dec-21	09-Dec-22	2,223.00
11.40% Non- Convertible Debentures	INE087P07121	CARE A+ (Stable);	18-Dec-20	18-Dec-20	18-Dec-21	16-Dec-22	1,197.00
9.50% Non- Convertible Debentures	INE087P07139	CARE A+ (Stable);	NA	NA	24-Jun-21	23-Jun-23	475.00
9.50% Non- Convertible Debentures	INE087P07147	CARE A+ (Stable);	NA	NA	07-Jul-21	21-Apr-23	475.00
8.75% Non- Convertible Debentures	INE087P07154	CARE A+ (Stable);	NA	NA	10-Jul-21	10-Jan-22	1312.50

Year Ended
31.03.2021

- (ii) Debt Equity Ratio (Nos. of times): 2.49
- (iii) Capital Redemption Reserve (Rs. In Lakh) : Nil
- (iv) Net Worth (Rs in lakh) : 94,160.33
- (v) There was no deviation in the use of the proceeds of the issue of Non Convertible Debt Securities from the object stated in the offer document.

(vi) Details of Credit rating and changes in credit rating is given here under:

Product	Rating as on March 31, 2021	Rating as on March 31, 2020
a) Debentures	CARE A+ (Stable); BWR A+ (Stable)	CARE A+ (Stable); BWR A+ (Stable)
b) Debentures (Sub debt)	CARE A (Stable); BWR A+ (Stable)	CARE A (Stable); BWR A+ (Stable)
c) Loan Facility	CARE A+ (Stable)	CARE A+ (Stable)



INDEPENDENT AUDITORS' REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS

To The Board of Directors of Avanse Financial Services Limited

Opinion

We have audited the Financial Results for the year ended March 31, 2021 included in the accompanying "Statement of Audited Financial Results for the six months and Year Ended March 31, 2021" of **AVANSE FINANCIAL SERVICES LIMITED** (the "Company"), (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2021:

- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Annual Financial Results section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 5 to the financial results, in which the company describes the continuing uncertainties arising from COVID 19 pandemic.
Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited financial statements and interim financial information for the half year ended March 31, 2021. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes 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; 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



Deloitte Haskins & Sells LLP

of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for audit of Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2021 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.



Deloitte Haskins & Sells LLP

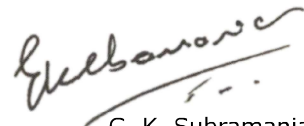
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter

As stated in Note 3 of the Statement, the figures for the half ended March 31, 2021 are the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the half year of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839)

UDIN: 21109839AAAAFM5793

Place: Mumbai

Date: 6th May, 2021

BSE Limited

The Listing Department
P.J. Towers,
Dalal Street,
Mumbai 400001

Dear Sir,

Sub: Declaration of Audit Report with Unmodified Opinion as per Regulation 52(3) of SEBI Listing Regulations, 2015

Ref: Scrip Code 952525

As required under Regulation 52(3) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, we hereby confirm that the Audit Report for the Financial Year 2020-21 is with an unmodified opinion.

You are requested to kindly take the above in your records.

Thanking You,

Yours Faithfully

For **Avanse Financial Services Limited**



Rakesh Dhanuka

Company Secretary

c.c.: Mr. R.K. Kulkarni

Catalyst Trusteeship Limited

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Paud Road, Pune - 411038



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