

Date: November 05, 2019

**BSE Limited**

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

Dear Sir,

**Sub: Submission of Unaudited Financial Results as per Regulation 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. November 05, 2019 the Board have approved the Unaudited Financial Result of the Company for the half year ended September 30, 2019, in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. Unaudited Financial results
2. Limited Review Report issued by the Statutory Auditor

The result will also be published in the newspapers, in the format prescribed under the Listing Regulations.

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

Avanse Financial Services Ltd.

Registered & Corporate Office:

001 & 002 Fulcrum, A Wing, Ground Floor,  
Sahar Road, Next to Hyatt Regency,  
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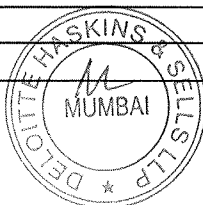
www.avanse.com

*ASPIRE WITHOUT BOUNDARIES*

**AVANSE FINANCIAL SERVICES LIMITED**  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2019**

(Rs. in Lakh)

| Sr. No.   | Particulars   | Half year ended         |                         | Year ended            |
|-----------|---|-------------------------|-------------------------|-----------------------|
|           |   | 30.09.2019<br>Unaudited | 30.09.2018<br>Unaudited | 31.03.2019<br>Audited |
| <b>1</b>  | <b>Revenue from operations</b>  |                         |                         |                       |
| (a)       | Interest income   | 19,420.57               | 18,162.56               | 39,778.43             |
| (b)       | Fees and commission income  | 161.59                  | 489.77                  | 705.06                |
| (c)       | Net gain on fair value changes  | 207.08                  | 535.90                  | 535.90                |
| (d)       | Net gain on derecognition of financial instrument under amortised cost category | 325.19                  | -                       | 106.52                |
| (e)       | Other operating income  | 467.34                  | 614.51                  | 723.34                |
|           | <b>Total revenue from operations</b>  | <b>20,581.77</b>        | <b>19,802.74</b>        | <b>41,849.25</b>      |
|           | Other income  | 540.73                  | 55.84                   | 182.56                |
|           | <b>Total income</b>   | <b>21,122.50</b>        | <b>19,858.58</b>        | <b>42,031.82</b>      |
| <b>2</b>  | <b>Expenses</b>   |                         |                         |                       |
| (a)       | Finance costs   | 12,065.27               | 11,354.08               | 24,015.23             |
| (b)       | Impairment on financial instruments   | 258.91                  | 705.37                  | 679.74                |
| (c)       | Employee benefits expense   | 2,998.40                | 2,807.47                | 7,516.32              |
| (d)       | Depreciation and amortisation expense   | 413.11                  | 105.16                  | 403.87                |
| (e)       | Other expenses  | 1,837.42                | 2,425.27                | 5,267.94              |
|           | <b>Total expenses</b>   | <b>17,573.11</b>        | <b>17,397.35</b>        | <b>37,883.10</b>      |
| <b>3</b>  | <b>Profit before exceptional items and tax (1-2)</b>                            | <b>3,549.39</b>         | <b>2,461.23</b>         | <b>4,148.72</b>       |
| <b>4</b>  | <b>Exceptional items (refer note 3)</b>   | <b>2,856.99</b>         | <b>-</b>                | <b>-</b>              |
| <b>5</b>  | <b>Profit before tax (3-4)</b>  | <b>692.40</b>           | <b>2,461.23</b>         | <b>4,148.72</b>       |
| <b>6</b>  | <b>Tax expense</b>  |                         |                         |                       |
| (a)       | Current tax   | 235.67                  | 1,063.35                | 1,613.58              |
| (b)       | Deferred tax  | 129.57                  | (244.43)                | (191.83)              |
|           | <b>Total tax expenses</b>   | <b>365.24</b>           | <b>818.92</b>           | <b>1,421.75</b>       |
| <b>7</b>  | <b>Net profit after tax (5-6)</b>   | <b>327.16</b>           | <b>1,642.31</b>         | <b>2,726.97</b>       |
| <b>8</b>  | <b>Other comprehensive income</b>   |                         |                         |                       |
|           | Items that will not be reclassified to profit or loss                           |                         |                         |                       |
|           | - Actuarial gain / (loss) on post retirement benefit plans                      | (8.46)                  | 5.16                    | (9.87)                |
|           | - Income tax on above   | 2.13                    | (1.81)                  | 3.45                  |
|           | <b>Total other comprehensive income</b>   | <b>(6.33)</b>           | <b>3.35</b>             | <b>(6.42)</b>         |
| <b>9</b>  | <b>Total comprehensive Income (7+8)</b>   | <b>320.83</b>           | <b>1,645.66</b>         | <b>2,720.55</b>       |
| <b>10</b> | <b>Paid up equity share capital (Face value Rs.10/- per share)</b>              | <b>8,259.19</b>         | <b>6,285.50</b>         | <b>6,285.50</b>       |
| <b>11</b> | <b>Other equity</b>   |                         |                         | <b>51,492.84</b>      |
| <b>12</b> | <b>Earnings per equity share</b>  |                         |                         |                       |
|           | Basic EPS (in Rs.) (Not annualised)   | 0.46                    | 2.69                    | 4.40                  |
|           | Diluted EPS (in Rs.) (Not annualised)   | 0.46                    | 2.69                    | 4.40                  |



**AVANSE FINANCIAL SERVICES LIMITED**  
**STATEMENT OF UNAUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2019**

(Rs. in Lakh)

| Sr. No. | Particulars   | As at September<br>30, 2019<br>Unaudited | As at March 31,<br>2019<br>Audited |
|---------|---|--|------------------------------------|
|         | <b>ASSETS</b>   |  |                                    |
| (1)     | <b>Financial assets</b>   |  |                                    |
| (a)     | Cash and cash equivalents   | 25,200.17                                | 14,347.65                          |
| (b)     | Bank balance other than (a) above   | 6,675.97                                 | 3,175.97                           |
| (c)     | Loans   | 274,183.61                               | 294,007.00                         |
| (d)     | Investments   | 12,627.27                                | -                                  |
| (e)     | Other financial assets  | 1,130.49                                 | 672.14                             |
|         |   | <b>319,817.51</b>                        | <b>312,202.76</b>                  |
| (2)     | <b>Non-financial assets</b>   |  |                                    |
| (a)     | Current tax assets (net)  | 377.99                                   | 152.72                             |
| (b)     | Deferred tax assets (net)   | 419.75                                   | 547.20                             |
| (c)     | Property, plant and equipment   | 1,870.07                                 | 309.66                             |
| (d)     | Other intangible assets   | 729.73                                   | 899.64                             |
| (e)     | Intangible assets under development   | 22.96                                    | -                                  |
| (f)     | Other non-financial assets  | 1,093.27                                 | 362.01                             |
|         |   | <b>4,513.77</b>                          | <b>2,271.23</b>                    |
|         | <b>Total assets</b>   | <b>324,331.28</b>                        | <b>314,473.99</b>                  |
|         | <b>LIABILITIES AND EQUITY</b>   |  |                                    |
|         | <b>LIABILITIES</b>  |  |                                    |
| (1)     | <b>Financial liabilities</b>  |  |                                    |
| (a)     | <b>Trade payables</b>   |  |                                    |
|         | (i) total outstanding dues of micro and small enterprises                       | 3.38                                     | 5.74                               |
|         | (ii) total outstanding dues of creditors other than micro and small enterprises | 1,483.76                                 | 1,444.78                           |
| (b)     | Debt securities   | 43,057.22                                | 49,696.06                          |
| (c)     | Borrowings (other than debt securities)   | 168,828.15                               | 188,280.69                         |
| (d)     | Other financial liabilities   | 21,970.60                                | 16,530.71                          |
|         | <b>Total financial liabilities</b>  | <b>235,343.11</b>                        | <b>255,957.98</b>                  |
| (2)     | <b>Non-financial liabilities</b>  |  |                                    |
| (a)     | Current tax liabilities (net)   | -  | 227.37                             |
| (b)     | Provisions  | 368.86                                   | 228.73                             |
| (c)     | Other non-financial liabilities   | 520.13                                   | 281.57                             |
|         | <b>Total non-financial liabilities</b>  | <b>888.99</b>                            | <b>737.67</b>                      |
| (3)     | <b>EQUITY</b>   |  |                                    |
| (a)     | Equity share capital  | 8,259.19                                 | 6,285.50                           |
| (b)     | Other equity  | 79,839.99                                | 51,492.84                          |
|         | <b>Total equity</b>   | <b>88,099.18</b>                         | <b>57,778.34</b>                   |
|         | <b>Total liabilities and equity</b>   | <b>324,331.28</b>                        | <b>314,473.99</b>                  |



Notes:

- 1 The above unaudited financial 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 November 5, 2019.
- 2 The above unaudited financial results have been prepared as per format prescribed in Regulation 52 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.
- 3 Pursuant to the Share Purchase Agreement dated March 16, 2019, the outgoing shareholder has sold its stake during the half year ended September 30, 2019 and consequently the Company is now a subsidiary of Olive Vine Investment Ltd The Company has incurred a one time expense towards professional & 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.
- 4 During the half year ended September 30, 2019 the Company has issued 19,736,842 equity shares of Rs. 10 each at a premium of Rs.142 on a preferential basis.
- 5 The recently promulgated Taxation Laws (Amendment) Ordinance 2019 has inserted section 115BAA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. Consequently, the opening deferred tax asset (net) has been measured at the lower rate with a one-time corresponding charge of Rs 148.01 lakhs to the Statement of Profit and Loss.
- 6 The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 1, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain re-measurement adjustments. The Company has elected not to restate the comparative numbers and accordingly recorded a Right to use Asset and a corresponding Lease Liability of Rs. 1,214.21 lakhs as at April 1, 2019.
- 7 Information as required by Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is as per Annexure 'T' attached.
- 8 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.
- 9 The Company operates in a single reportable operating segment of providing loans as per the requirement of Ind AS 108 - Operating Segment.
- 10 Also refer Statement of Unaudited Balance Sheet as at September 30, 2019 attached herewith.



Place : Mumbai  
Date : November 05, 2019

**For Avanse Financial Services Limited**

**Neeraj Swaroop**  
Chairman  
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);<br>BWR A+ (Stable) | 31-Jul-19   | 31-Jul-19                                    | 31-Jul-20                             | 31-Jul-25                              | 252.50                           |
| 10.05% Non- Convertible Debentures  | INE087P07030 | CARE A+ (Stable);<br>BWR A+ (Stable) | 31-Jul-19   | 31-Jul-19                                    | 31-Jul-20                             | 08-Aug-22                              | 100.50                           |
| 10.10% Non- Convertible Debentures  | INE087P07048 | CARE A+ (Stable);<br>BWR A+ (Stable) | 31-Jul-19   | 31-Jul-19                                    | 31-Jul-20                             | 07-Aug-25                              | 151.50                           |
| 9.55% Non- Convertible Debentures   | INE087P07055 | CARE A+ (Stable);<br>BWR A+ (Stable) | 31-Jan-19   | 31-Jan-19                                    | 31-Jan-20                             | 26-Oct-20                              | 95.50                            |
| 9.65% Non- Convertible Debentures   | INE087P07063 | CARE A+ (Stable);<br>BWR A+ (Stable) | 31-Jul-19   | 31-Jul-19                                    | 31-Jul-20                             | 26-Feb-23                              | 96.50                            |
| 10.50% Non- Convertible Debentures (Sub debt)                                   | INE087P08012 | CARE A (Stable);<br>BWR A+ (Stable)  | 31-Jul-19   | 31-Jul-19                                    | 31-Jul-20                             | 16-Mar-24                              | 262.50                           |
| 9.50% Non- Convertible Debentures (Sub debt)                                    | INE087P08020 | CARE A (Stable);<br>BWR A+ (Stable)  | 31-Jan-19   | 31-Jan-19                                    | 31-Jan-20                             | 30-Jun-27                              | 237.50                           |
| 8.65% Non- Convertible Debentures   | INE087P07089 | CARE A+ (Stable);<br>BWR A+ (Stable) | 03-Nov-18   | 02-Nov-18                                    | 03-Nov-19                             | 02-Nov-20                              | 216.25                           |
| 9.35% Non- Convertible Debentures (Sub debt)                                    | INE087P08038 | CARE A (Stable);<br>BWR A+ (Stable)  | 31-Jan-19   | 31-Jan-19                                    | 31-Jan-20                             | 27-Dec-27                              | 233.75                           |
| 9.35% Non- Convertible Debentures (Redeemed on September 27, 2019)              | INE087P07097 | CARE A+ (Stable);<br>BWR A+ (Stable) | 27-Sep-19   | 27-Sep-19                                    | NA                                    | NA                                     | NA                               |
| 10.10% Non- Convertible Debentures (1 Year MCLR of State Bank of India + 1.70%) | INE087P07105 | CARE A+ (Stable);<br>BWR A+ (Stable) | 12-Jul-19   | 12-Jul-19                                    | 12-Jul-20                             | 12-Jul-21                              | 2,525.00                         |

Half Year Ended  
30.09.2019

- (ii) Debt Equity Ratio (Nos. of times): 2.41
- (iii) Capital Redemption Reserve (Rs. In Lakh) : Nil
- (iv) Net Worth (Rs in lakh) : 88,099.18
- (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, 2019 | Rating as on September 30, 2019   |
|--------------------------|-----------------------------|-----------------------------------|
| a) Debentures            | CARE A+ (SO); BWR AA - (SO) | CARE A+ (Stable); BWR A+ (Stable) |
| b) Debentures (Sub debt) | CARE A (SO); BWR AA - (SO)  | CARE A (Stable); BWR A+ (Stable)  |
| c) Loan Facility         | CARE A + (SO)               | CARE A+ (Stable)                  |



**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM UNAUDITED  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
AVANSE FINANCIAL SERVICES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Avanse Financial Services Limited (the "Company"), for the half year ended September 30, 2019 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



**G. K. Subramaniam**  
Partner

Membership No. 109839  
UDIN: 19109839AAAAJ13503

Mumbai, 5<sup>th</sup> November, 2019