

April 24, 2019

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 April 24, 2019 the Board have approved the Audited Financial Result of the Company for the Half and financial year ended March 31, 2019, 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 Joint Statutory Auditors
3. Noting Certificate by the Debenture Trustee
4. Declaration for Unmodified Opinion

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 LIMITED

STATEMENT OF AUDITED FINANCIAL RESULTS FOR HALF YEAR AND YEAR ENDED MARCH 31, 2019

(Rs. in Lakh)

| Sr. No. | Particulars | Half year ended | | Year ended | |
|------------|--|---|---|-----------------------|-----------------------|
| | | 31.03.2019 Unaudited (Refer Note 3) | 31.03.2018 Unaudited (Refer Note 3) | 31.03.2019 Audited | 31.03.2018 Audited |
| 1 | Income | | | | |
| (a) | Revenue from operations | | | | |
| | Interest income | 21,643.59 | 11,849.78 | 40,505.76 | 20,006.26 |
| | Fees and commission income | 262.97 | 182.33 | 705.06 | 291.45 |
| | Other operating income | 70.45 | 101.67 | 102.53 | 117.59 |
| | Total revenue from operations | 21,977.01 | 12,133.78 | 41,313.35 | 20,415.30 |
| (b) | Other income | 126.72 | 177.03 | 718.47 | 367.85 |
| | Total income | 22,103.73 | 12,310.81 | 42,031.82 | 20,783.15 |
| 2 | Expenses | | | | |
| | Finance costs | 12,661.15 | 7,217.19 | 24,015.23 | 12,062.67 |
| | Impairment on financial instruments | (25.63) | (23.01) | 679.74 | 458.07 |
| | Employee benefits expense | 4,712.82 | 1,828.30 | 7,516.32 | 2,908.77 |
| | Depreciation and amortisation expense | 298.71 | 47.51 | 403.87 | 82.14 |
| | Other expenses | 2,769.19 | 2,176.17 | 5,267.94 | 3,471.56 |
| | Total expenses | 20,416.24 | 11,246.16 | 37,883.10 | 18,983.21 |
| 3 | Profit before tax (1-2) | 1,687.49 | 1,064.65 | 4,148.72 | 1,799.94 |
| 4 | Tax expense | | | | |
| (a) | Current tax | 550.23 | 526.59 | 1,613.58 | 770.72 |
| (b) | Deferred tax | 52.60 | (73.72) | (191.83) | (156.42) |
| | Total tax expenses | 602.83 | 452.87 | 1,421.75 | 614.30 |
| 5 | Net profit after tax (3-4) | 1,084.66 | 611.78 | 2,726.97 | 1,185.64 |
| 6 | Other comprehensive income | | | | |
| | Items that will not be reclassified to profit or loss | | | | |
| | - Actuarial gain / (loss) on post retirement benefit plans | (15.03) | 41.99 | (9.87) | (11.85) |
| | - Income tax on above | 5.26 | (14.70) | 3.45 | 4.14 |
| | Total other comprehensive income | (9.77) | 27.29 | (6.42) | (7.71) |
| 7 | Total comprehensive Income (5+6) | 1,074.89 | 639.07 | 2,720.55 | 1,177.93 |
| 8 | Earnings per equity share | | | | |
| | Face value of Rs.10 each | | | | |
| | Basic EPS (in Rs.) (Not annualised for half year) | 1.71 | 1.97 | 4.40 | 2.85 |
| | Diluted EPS (in Rs.) (Not annualised for half year) | 1.71 | 1.97 | 4.40 | 2.85 |




Notes:

- 1 The above audited 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 April 24, 2019.
- 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, 2019 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 current financial year which were subject to limited review.
- 4 The shareholders of the Company have entered into a binding agreement as on March 16, 2019 with Olive Vine Investment Ltd for stake sale. Execution of the agreement is pending subject to regulatory approvals.
- 5 Information as required by Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is as per Annexure 'T' attached
- 6 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.
- 7 Effective April 01, 2018, the Company has adopted all the the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind AS") and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. The above audited financial statement has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Ind AS and other accounting principles generally accepted in India.
- 8 The Company operates in a single reportable operating segment of providing loans as per the requirement of Ind AS 108 - Operating Segment.
- 9 Reconciliation of net profit for the corresponding half year and year ended March 31, 2018 and net equity for the year ended between erstwhile Indian GAAP (IGAAP) and Ind AS is as under:

| Particulars | Total Comprehensive income Reconciliation | | Equity Reconciliation | |
|--|---|-----------------------|-----------------------|-----------------------|
| | Half Year ended | Year ended | As at | As at |
| | 31.03.2018 Unaudited | 31.03.2018 Audited | 31.03.2018 Audited | 01.04.2017 Audited |
| Net profit / equity as per previous Indian GAAP | 470.99 | 1,024.52 | 48,499.00 | 14,025.05 |
| Add / (Less): | | | | |
| Effective interest rate for financial assets and liabilities at | (153.52) | (137.63) | (111.20) | 26.43 |
| Reclassification of actuarial gains and losses on employee benefit plans to other comprehensive income | (41.99) | 11.85 | 11.85 | - |
| Provision for Expected Credit Loss | 398.43 | 373.43 | 198.10 | (175.33) |
| Deferred tax impact on above | (62.13) | (86.53) | (34.50) | 52.03 |
| Total effect of transition to IND AS | 140.79 | 161.12 | 64.25 | (96.87) |
| Net profit / equity as per Ind AS | 611.78 | 1,185.64 | 48,563.25 | 13,928.18 |
| Other comprehensive income (net of tax) | 27.29 | (7.71) | (7.71) | - |
| Total Comprehensive income / Equity as per Ind AS | 639.07 | 1,177.93 | 48,555.54 | 13,928.18 |

For Avanse Financial Services Limited


Kapil Wadhawan
Chairman
DIN - 00028528

Place : Mumbai
Date : April 24, 2019



- (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+ (SO); BWR AA - (SO) | 31-Jul-18 | 31-Jul-18 | 31-Jul-19 | 31-Jul-25 | 252.50 |
| 10.05% Non- Convertible Debentures | INE087P07030 | CARE A+ (SO); BWR AA - (SO) | 31-Jul-18 | 31-Jul-18 | 31-Jul-19 | 08-Aug-22 | 100.50 |
| 10.10% Non- Convertible Debentures | INE087P07048 | CARE A+ (SO); BWR AA - (SO) | 31-Jul-18 | 31-Jul-18 | 31-Jul-19 | 07-Aug-25 | 151.50 |
| 9.55% Non- Convertible Debentures | INE087P07055 | CARE A+ (SO); BWR AA - (SO) | 31-Jan-19 | 31-Jan-19 | 31-Jan-20 | 26-Oct-20 | 95.50 |
| 9.65% Non- Convertible Debentures | INE087P07063 | CARE A+ (SO); BWR AA - (SO) | 31-Jul-18 | 31-Jul-18 | 31-Jul-19 | 26-Feb-23 | 96.50 |
| 10.50% Non- Convertible Debentures (Sub debt) | INE087P08012 | CARE A (SO) BWR AA - (SO) | 31-Jul-18 | 31-Jul-18 | 31-Jul-19 | 16-Mar-24 | 262.50 |
| 9.20% Non- Convertible Debentures* | INE087P07071 | CARE AA+(SO) | 04-Jan-19 | 04-Jan-19 | NA | NA | NA |
| 9.50% Non- Convertible Debentures (Sub debt) | INE087P08020 | CARE A (SO) BWR AA - (SO) | 31-Jan-19 | 31-Jan-19 | 31-Jan-20 | 30-Jun-27 | 237.50 |
| 8.65% Non- Convertible Debentures | INE087P07089 | CARE A+ (SO) BWR AA - (SO) | 03-Nov-18 | 02-Nov-18 | 03-Nov-19 | 02-Nov-20 | 216.25 |
| 9.35% Non- Convertible Debentures (Sub debt) | INE087P08038 | CARE A (SO) BWR AA - (SO) | 31-Jan-19 | 31-Jan-19 | 31-Jan-20 | 27-Dec-27 | 233.75 |
| 9.35% Non- Convertible Debentures | INE087P07097 | CARE A+ (SO) BWR AA - (SO) | NA | NA | 29-Jun-19 | 27-Sep-19 | 467.50 |
| 9.95% Non- Convertible Debentures (1 Year MCLR of State Bank of India + 1.70%) | INE087P07105 | CARE A+ (SO) BWR AA - (SO) | NA | NA | 12-Jul-19 | 12-Jul-21 | 2,487.50 |

*Basis the Put Option Notice exercised by the Debenture holders, these NCDs were fully repaid with interest accrued for the period on Put Option exercise date i.e. 04-Jan-2019.

Year Ended
31.03.2019

- (ii) Debt Equity Ratio (Nos. of times): 4.05
- (iii) Capital Redemption Reserve (Rs. In Lakh): Nil
- (iv) Net Worth (Rs in lakh): 57,778.34
- (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, 2018 | Rating as on March 31, 2019 |
|--------------------------|-----------------------------|-----------------------------|
| a) Commercial paper | CRISIL A1+; CARE A1+ | Withdrawn* |
| b) Debentures | CARE AA+(SO); BWR AA+(SO) | CARE A+(SO); BWR AA-(SO) |
| c) Debentures (Sub debt) | CARE AA(SO); BWR AA+(SO) | CARE A(SO); BWR AA-(SO) |
| e) Loan Facility | CARE AA+(SO) | CARE A+(SO) |

*Rating has been withdrawn since the company has repaid the amount in full and there was no outstanding CP.



AVANSE FINANCIAL SERVICES LIMITED
STATEMENT OF AUDITED BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakh)

| Sr. No. | | As at March 31, 2019 Audited | As at March 31, 2018 Audited |
|---------|--|------------------------------------|------------------------------------|
| | ASSETS | | |
| (1) | Financial assets | | |
| (a) | Cash and cash equivalents | 14,347.65 | 23,881.55 |
| (b) | Bank balance other than (a) above | 3,175.97 | 434.00 |
| (c) | Loans | 294,007.00 | 221,100.66 |
| (d) | Other financial assets | 672.14 | 604.37 |
| | | 312,202.76 | 246,020.58 |
| (2) | Non-financial assets | | |
| (a) | Current tax assets (net) | 152.72 | 115.41 |
| (b) | Deferred tax assets (net) | 547.20 | 351.92 |
| (c) | Property, plant and equipment | 309.66 | 149.31 |
| (d) | Other intangible assets | 899.64 | 97.68 |
| (e) | Other non-financial assets | 362.01 | 404.83 |
| | | 2,271.23 | 1,119.15 |
| | Total assets | 314,473.99 | 247,139.73 |
| | LIABILITIES AND EQUITY | | |
| | LIABILITIES | | |
| (1) | Financial liabilities | | |
| (a) | Trade payables | | |
| (i) | total outstanding dues of micro and small enterprises | 5.74 | - |
| (ii) | total outstanding dues of creditors other than micro and small enterprises | 1,444.78 | 459.51 |
| (b) | Debt securities | 46,795.42 | 50,766.91 |
| (c) | Borrowings (other than debt securities) | 186,968.62 | 133,544.03 |
| (d) | Other financial liabilities | 20,743.42 | 13,627.36 |
| | Total financial liabilities | 255,957.98 | 198,397.81 |
| (2) | Non-financial liabilities | | |
| (a) | Current tax liabilities (net) | 227.37 | 46.24 |
| (b) | Provisions | 228.73 | - |
| (c) | Other non-financial liabilities | 281.57 | 140.14 |
| | Total non-financial liabilities | 737.67 | 186.38 |
| (3) | EQUITY | | |
| (a) | Equity share capital | 6,285.50 | 5,924.27 |
| (b) | Other equity | 51,492.84 | 42,631.27 |
| | Total equity | 57,778.34 | 48,555.54 |
| | Total liabilities and equity | 314,473.99 | 247,139.73 |



**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF AVANSE FINANCIAL SERVICES LIMITED**

1. We have audited the accompanying Statement of Financial Results of **AVANSE FINANCIAL SERVICES LIMITED** (the "Company"), for the year ended 31st March 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 modified by Circular No. CIR/IMD/DFI/69/2016 dated August 10, 2016 (the "Regulation").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.


We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of the Regulation; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive profit and other financial information of the Company for the year ended 31st March 2019.



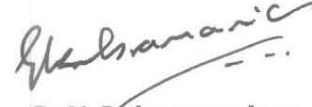
5. The previously issued comparative financial information of the Company for the Half year ended and year ended 31st March 2018 included in this Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued comparative financial information were audited by one of us whose report for the year ended 31st March 2018 dated 24th April 2018 expressed an unmodified opinion on those comparative financial information. Adjustments made to the previously issued said comparative financial information to comply with Ind AS have been audited by us.
6. The Statement includes the results for the half year ended 31st March 2019 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 current financial year which were subject to limited review by us.

For **T R CHADHA & CO LLP**
Chartered Accountants
(Firm's Registration No.
006711N/N500028)


Pramod Tilwani
(Partner)
(Membership No. 076650)



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


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

Mumbai, 24th April, 2019

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Catalyst Trusteeship Limited** (“**Debenture Trustee**”) hereby confirm that we have received and noted (without independent verification thereof) the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”), provided to us by **Avanse Financial Services Limited** (“**the Company**”) for the Half year ended on March 31, 2019.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

P.S. Kulkarni

Authorized Signatory

Date: April 24, 2019



April 24, 2019

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 LODR (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 Financial Year 2018- 19 is a Report 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

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