

Date: October 30, 2020

**BSE Limited**

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

Dear Sir,

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

**Ref : Scrip Code 952525**

We wish to inform you that the Board of Directors at its meeting held today i.e. on October 30, 2020 have approved the Unaudited Financial Result of the Company for the half year ended September 30, 2020, 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. Unaudited financial result
2. Limited Review Report issued by the Statutory Auditor

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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**ASPIRE WITHOUT BOUNDARIES**

**AVANSE FINANCIAL SERVICES LIMITED**  
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020**

(Rs. in Lakh)

Sr. No.	Particulars	Half year ended		Year ended
		30.09.2020	30.09.2019	31.03.2020
		Unaudited	Unaudited	Audited
<b>1</b>	<b>Revenue from operations</b>			
(a)	Interest income	19,326.22	19,420.57	38,397.89
(b)	Fees and commission income	364.52	356.18	1,145.13
(c)	Net gain on fair value changes	311.19	207.08	947.84
(d)	Net gain on derecognition of financial instrument under amortised cost category	-	325.19	842.69
(e)	Other operating income	298.63	272.75	594.40
	<b>Total revenue from operations</b>	<b>20,300.56</b>	<b>20,581.77</b>	<b>41,927.95</b>
	Other income	1,622.49	540.73	1,450.33
	<b>Total income</b>	<b>21,923.05</b>	<b>21,122.50</b>	<b>43,378.28</b>
<b>2</b>	<b>Expenses</b>			
(a)	Finance costs	13,610.47	12,065.27	24,888.41
(b)	Impairment on financial instruments	1,386.74	258.91	2,009.38
(c)	Employee benefits expense	2,892.99	2,998.40	5,466.88
(d)	Depreciation and amortisation expense	652.64	413.11	949.88
(e)	Other expenses	1,646.07	1,837.42	4,040.05
	<b>Total expenses</b>	<b>20,188.91</b>	<b>17,573.11</b>	<b>37,354.60</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>1,734.14</b>	<b>3,549.39</b>	<b>6,023.68</b>
<b>4</b>	<b>Exceptional items (refer note 3)</b>	-	2,856.99	2,856.99
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>1,734.14</b>	<b>692.40</b>	<b>3,166.69</b>
<b>6</b>	<b>Tax expense</b>			
(a)	Current tax	757.76	235.67	1,208.73
(b)	Prior period tax expense	(169.58)	-	-
(c)	Deferred tax	(310.51)	129.57	(194.48)
	<b>Total tax expenses</b>	<b>277.67</b>	<b>365.24</b>	<b>1,014.25</b>
<b>7</b>	<b>Profit for the period/year (5-6)</b>	<b>1,456.47</b>	<b>327.16</b>	<b>2,152.44</b>
<b>8</b>	<b>Other comprehensive income</b>			
	(A) Items that will not be reclassified to profit or loss			
	(i) Actuarial (gain) / loss on post retirement benefit plans	42.60	(8.46)	18.95
	(ii) Income tax on above	(10.72)	2.13	(4.77)
	Subtotal (A)	31.88	(6.33)	14.18
	(B) Items that will be reclassified to profit or loss			
	(i) Fair value of derivative	(232.80)	-	-
	(ii) Income tax on above	58.59	-	-
	Subtotal (B)	(174.21)	-	-
	<b>Total other comprehensive income (A+B)</b>	<b>(142.33)</b>	<b>(6.33)</b>	<b>14.18</b>
<b>9</b>	<b>Total comprehensive Income (7+8)</b>	<b>1,314.14</b>	<b>320.83</b>	<b>2,166.62</b>
<b>10</b>	<b>Paid up equity share capital (Face value Rs.10/- per share)</b>	<b>8,259.19</b>	<b>8,259.19</b>	<b>8,259.19</b>
<b>11</b>	<b>Other equity</b>			<b>81,734.78</b>
<b>12</b>	<b>Earnings per equity share</b>			
	Basic EPS (in Rs.) (Not annualised for half year)	1.76	0.47	2.83
	Diluted EPS (in Rs.) (Not annualised for half year)	1.76	0.47	2.83



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**AVANSE FINANCIAL SERVICES LIMITED**  
**STATEMENT OF UNAUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020**

(Rs. in Lakh)

Sr. No.	Particulars	As at September 30, 2020 Unaudited	As at March 31, 2020 Audited
	<b>ASSETS</b>		
<b>(1)</b>	<b>Financial assets</b>		
(a)	Cash and cash equivalents	61,571.86	64,340.04
(b)	Bank balance other than (a) above	998.55	998.55
(c)	Loans	276,120.40	280,074.61
(d)	Investments	13,534.42	12,500.68
(e)	Other financial assets	1,761.60	1,381.60
		<b>353,986.83</b>	<b>359,295.48</b>
<b>(2)</b>	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	227.26	352.21
(b)	Deferred tax assets (net)	1,095.28	736.89
(c)	Property, plant and equipment	703.27	772.08
(d)	Other intangible assets	1,095.06	930.49
(e)	Intangible assets under development	91.23	161.14
(f)	Right of use assets	905.41	991.52
(g)	Other non-financial assets	1,195.62	703.36
		<b>5,313.13</b>	<b>4,647.69</b>
	<b>Total assets</b>	<b>359,299.96</b>	<b>363,943.17</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>(1)</b>	<b>Financial liabilities</b>		
(a)	Derivative financial instruments	216.30	-
<b>(b)</b>	<b>Trade payables</b>		
(i)	total outstanding dues of micro and small enterprises	5.47	0.59
(ii)	total outstanding dues of creditors other than micro and small enterprises	1,213.45	1,123.96
(c)	Debt securities	100,825.30	74,916.63
(d)	Borrowings (other than debt securities)	142,156.78	171,946.69
(e)	Other financial liabilities	22,400.67	24,870.95
	<b>Total financial liabilities</b>	<b>266,817.97</b>	<b>272,858.82</b>
<b>(2)</b>	<b>Non-financial liabilities</b>		
(a)	Current tax liabilities (net)	366.21	458.03
(b)	Provisions	339.40	410.56
(c)	Other non-financial liabilities	257.85	221.79
	<b>Total non-financial liabilities</b>	<b>963.46</b>	<b>1,090.38</b>
<b>(3)</b>	<b>EQUITY</b>		
(a)	Equity share capital	8,259.19	8,259.19
(b)	Other equity	83,259.34	81,734.78
	<b>Total equity</b>	<b>91,518.53</b>	<b>89,993.97</b>
	<b>Total liabilities and equity</b>	<b>359,299.96</b>	<b>363,943.17</b>



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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 October 30, 2020.
- 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 had sold its stake during the year ended March 31, 2020 and consequently the Company is now a subsidiary of Olive Vine Investment Ltd. The Company had 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 during the previous year ended March 31, 2020.
- 4 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package and in accordance therewith, the Company had provided moratorium on the payment of all principal amounts and/or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if the said amounts were overdue on February 29, 2020. For all such accounts, where the moratorium was granted, the asset classification remained standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy).

Given the uncertainty over the potential macro-economic impact and external developments including the final decision of the Honourable Supreme Court in relation to moratorium and other related matters, 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 and in relation to revenue recognition.

The provision for expected credit loss on financial assets as at September 30, 2020 aggregates Rs. 5093 lakh (as on March 31, 2020 - Rs. 3706 lakh) which includes management overlay for potential impact on account of the pandemic of Rs. 1791 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 COVID-19 pandemic will impact future 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 global health 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.

- 5 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.
- 6 The Company operates in a single reportable operating segment of providing loans as per the requirement of Ind AS 108 - Operating Segment.
- 7 Information as required by Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is as per Annexure 'I' 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 figures for the previous period/year have been regrouped / reclassified wherever necessary to conform to the current period's/year's presentation.



**For Avanse Financial Services Limited**

**Neeraj Swaroop**  
Chairperson  
DIN - 00061170

Place : Mumbai

Date : October 30, 2020



- (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	INE087P07030	CARE A+ (Stable); BWR A+ (Stable)	31-Jul-20	31-Jul-20	31-Jul-21	08-Aug-22	100.50
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	INE087P07055	CARE A+ (Stable); BWR A+ (Stable)	31-Jul-20	31-Jan-20	26-Oct-20	26-Oct-20	70.19
9.65% Non- Convertible Debentures	INE087P07063	0.471065515 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-20	31-Jan-20	31-Jan-21	30-Jun-27	237.50
8.65% Non- Convertible Debentures	INE087P07089	CARE A+ (Stable); BWR A+ (Stable)	03-Nov-19	01-Nov-19	02-Nov-20	02-Nov-20	215.66
9.35% Non- Convertible Debentures (Sub debt)	INE087P08038	CARE A (Stable); BWR A+ (Stable)	31-Jan-20	31-Jan-20	31-Jan-21	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);	NA	NA	12-Dec-20	09-Dec-22	2,223.00
11.40% Non- Convertible Debentures	INE087P07121	CARE A+ (Stable);	NA	NA	18-Dec-20	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	1312.5

Half Year Ended  
30.09.2020

- (ii) Debt Equity Ratio (Nos. of times): 2.66
- (iii) Capital Redemption Reserve (Rs. In Lakh) : Nil
- (iv) Net Worth (Rs in lakh) : 91,518.53
- (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, 2020	Rating as on September 30, 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)



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**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM 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, 2020 (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.
5. We draw attention to Note 4 to the financial results, which describes that the potential impact of the COVID-19 Pandemic on the Company's results are dependent on future developments, which are highly uncertain. Our conclusion 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: 20109839AAAAWO1242

Mumbai, October 30, 2020