

Date: June 25, 2020

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 June 25, 2020 the Board have approved the Audited Financial Result of the Company for the half and financial year ended March 31, 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. 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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ASPIRE WITHOUT BOUNDARIES

AVANSE FINANCIAL SERVICES LIMITED
STATEMENT OF AUDITED FINANCIAL RESULTS FOR HALF YEAR AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakh)

Sr. No.	Particulars	Half year ended		Year ended	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
		(Refer Note 3)	(Refer Note 3)	Audited	Audited
1	Revenue from operations				
(a)	Interest income	19,006.39	21,660.98	38,397.89	39,728.12
(b)	Fees and commission income	759.88	205.82	1,145.13	1,376.19
(c)	Net gain on fair value changes	740.76	-	947.84	535.91
(d)	Net gain on derecognition of financial instrument under amortised cost category (refer note 9)	517.50	106.52	842.69	106.52
(e)	Other operating income	321.65	73.22	594.40	102.53
	Total revenue from operations	21,346.18	22,046.54	41,927.95	41,849.27
	Other income	909.60	126.72	1,450.33	182.56
	Total income	22,255.78	22,173.26	43,378.28	42,031.83
2	Expenses				
(a)	Finance costs	12,823.14	12,661.15	24,888.41	24,015.23
(b)	Impairment on financial instruments	1,750.47	(25.63)	2,009.38	679.74
(c)	Employee benefits expense	2,468.48	4,708.85	5,466.88	7,516.32
(d)	Depreciation and amortisation expense	536.77	298.71	949.88	403.87
(e)	Other expenses	2,202.63	2,842.67	4,040.05	5,267.94
	Total expenses	19,781.49	20,485.75	37,354.60	37,883.10
3	Profit before exceptional items and tax (1-2)	2,474.29	1,687.51	6,023.68	4,148.73
4	Exceptional items (refer note 4)	-	-	2,856.99	-
5	Profit before tax (3-4)	2,474.29	1,687.51	3,166.69	4,148.73
6	Tax expense				
(a)	Current tax	973.06	550.23	1,208.73	1,613.58
(b)	Deferred tax	(324.05)	52.60	(194.48)	(191.83)
	Total tax expenses	649.01	602.83	1,014.25	1,421.75
7	Net profit for the period/year (5-6)	1,825.28	1,084.68	2,152.44	2,726.98
8	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	- Actuarial gain / (loss) on post retirement benefit plans	27.41	(15.03)	18.95	(9.87)
	- Income tax on above	(6.90)	5.25	(4.77)	3.45
	Total other comprehensive income	20.51	(9.78)	14.18	(6.42)
9	Total comprehensive Income (7+8)	1,845.79	1,074.90	2,166.62	2,720.56
10	Paid up equity share capital (Face value Rs.10/- per share)	8,259.19	6,285.50	8,259.19	6,285.50
11	Other equity			81,734.78	51,492.84
12	Earnings per equity share				
	Basic EPS (in Rs.) (Not annualised for half year)	2.37	1.71	2.83	4.40
	Diluted EPS (in Rs.) (Not annualised for half year)	2.37	1.71	2.83	4.40

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AVANSE FINANCIAL SERVICES LIMITED
STATEMENT OF AUDITED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Lakh)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
		Audited	Audited
	ASSETS		
(1)	Financial assets		
(a)	Cash and cash equivalents	64,340.04	14,347.65
(b)	Bank balance other than (a) above	998.55	3,175.97
(c)	Loans	2,80,074.61	2,94,007.00
(d)	Investments	12,500.68	-
(e)	Other financial assets	1,381.60	672.14
		3,59,295.48	3,12,202.76
(2)	Non-financial assets		
(a)	Current tax assets (net)	352.21	152.72
(b)	Deferred tax assets (net)	736.89	547.20
(c)	Property, plant and equipment	772.08	309.66
(d)	Other intangible assets	930.49	899.64
(e)	Intangible assets under development	161.14	-
(f)	Right of use assets	991.52	-
(g)	Other non-financial assets	703.36	162.01
		4,647.69	2,071.23
	Total assets	3,63,943.17	3,14,273.99
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	Financial liabilities		
(a)	Trade payables		
	(i) total outstanding dues of micro and small enterprises	0.59	5.74
	(ii) total outstanding dues of creditors other than micro and small enterprises	1,123.96	1,244.78
(b)	Debt securities	74,916.63	49,640.46
(c)	Borrowings (other than debt securities)	1,71,946.69	1,88,403.09
(d)	Other financial liabilities	24,870.95	16,463.91
	Total financial liabilities	2,72,858.82	2,55,757.98
(2)	Non-financial liabilities		
(a)	Current tax liabilities (net)	458.03	227.37
(b)	Provisions	410.56	228.73
(c)	Other non-financial liabilities	221.79	281.57
	Total non-financial liabilities	1,090.38	737.67
(3)	EQUITY		
(a)	Equity share capital	8,259.19	6,285.50
(b)	Other equity	81,734.78	51,492.84
	Total equity	89,993.97	57,778.34
	Total liabilities and equity	3,63,943.17	3,14,273.99

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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 June 25, 2020.
- 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, 2020 and 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 respective financial year which were subject to limited review.
- 4 Pursuant to the Share Purchase Agreement dated March 16, 2019, the outgoing shareholder has 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 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.
- 5 During the year ended March 31, 2020 the Company has issued 19,736,842 equity shares of Rs. 10 each at a premium of Rs.142 on a preferential basis.
- 6 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 during year end March 31, 2020.
- 7 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.
- 8 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 dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company have provided a 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, excluding the collections already made in the month of March 2020. For all such accounts, where the moratorium is granted, the asset classification will remain 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).
Further, the management of the Company, based on current available information, has estimated overlays based on the policy of the Company for the purpose of determination of the provision for impairment of financial assets carried at amortised cost. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial statements.
Accordingly, the Statement of Profit and Loss for the year ended March 31, 2020 includes impairment provision aggregating Rs. 2,009.38 lacs which includes potential impact on account of the pandemic. 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 statements 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.
- 9 During the year ended 31st March 2020, the Company has transferred (without recourse) loans of Rs.25,044.54 lakh. The upfront gain on such transfer recognized aggregates Rs.842.69 lakh.
- 10 Information as required by Regulation 52(4) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is as per Annexure 'T' attached.
- 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 Company operates in a single reportable operating segment of providing loans as per the requirement of Ind AS 108 - Operating Segment.
- 13 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 : June 25, 2020



Annexure I

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-19	31-Jul-19	31-Jul-20	31-Jul-25	252.50
10.05% Non-Convertible Debentures	INE087P07030	CARE A+ (Stable); 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); 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); BWR A+ (Stable)	31-Jan-20	31-Jan-20	26-Oct-20	26-Oct-20	70.38
9.65% Non-Convertible Debentures	INE087P07063	CARE A+ (Stable); 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); 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); 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	2-Nov-20	02-Nov-20	216.25
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
10.10% Non-Convertible Debentures (1 Year MCLR of State Bank of India + 1.70%)	INE087P07105	CARE A+ (Stable);	12-Jul-19	12-Jul-19	12-Jul-20	12-Jul-21	2,525.00
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
Year Ended 31.03.2020							
(ii)	Debt Equity Ratio (Nos. of times):		2.74				
(iii)	Capital Redemption Reserve (Rs. In Lakh) :		Nil				
(iv)	Net Worth (Rs in lakh) :		89,993.97				
(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 March 31, 2020				
	a) Debentures	CARE A+ (SO); BWR AA - (SO)	CARE A+ (Stable); BWR A+ (Stable)				
	b) Debentures (Subdebt)	CARE A (SO); BWR AA - (SO)	CARE A (Stable); BWR A+ (Stable)				
	c) Loan Facility	CARE A + (SO)	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, 2020 included in the accompanying "Statement of Audited Financial Results for the six months and Year Ended March 31, 2020" 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, 2020:

- (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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2020 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 8 to the financial results, in which the company describes the 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, 2020. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2020 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

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, 2020 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, 2020 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: 20109839AAAAJK9925

Place: Mumbai

Date: June 25, 2020

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 Financial Year 2019- 20 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

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



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