

Ref. No. AAVAS/SEC/2020-21/448

Date: November 03, 2020

To,
BSE Limited
Dept. of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001

Dear Sir/Madam,

Subject: Submission of Debenture Trustee certificate pursuant to Regulation 52 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

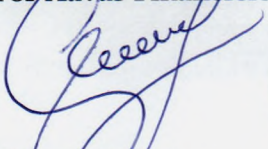

In reference to letter no. AAVAS/SEC/2020-21/430 dated October 29, 2020 filed by the Company to the stock exchange(s) and pursuant to the requirement of Regulation 52 (5) of SEBI LODR Regulations i.e. *"The listed entity shall, within seven working days from the date of submission of the information required under sub-regulation (4), submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents"*.

Therefore in compliance to above, we hereby enclose the Certificate received from the Debenture Trustees' informing that they have received and noted the information as specified under Regulation 52 (4) of SEBI LODR Regulations for the half year ended September 2020.

We request you to take the same on your record.

Thanking You,

For Aavas Financiers Limited



Sharad Pathak
Company Secretary & Compliance Officer
(FCS-9587)

Ref./ITSL/OPR/20-21/20054

October 30, 2020

AAVAS FINANCIERS LIMITED
(Formerly known as "Au HOUSING FINANCE LIMITED")
201-202, 2nd Floor,
South End Square, Mansrovar Industrial Area,
Jaipur – 302020

Subject: Certificate u/r 52(5) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, for Debenture issued by AAVAS FINANCIERS LIMITED (Formerly known as "Au HOUSING FINANCE LIMITED")

Dear Sir,

We are acting as Debenture Trustee for the Secured, Redeemable Non-Convertible Debentures issued by AAVAS FINANCIERS LIMITED (Formerly known as "Au HOUSING FINANCE LIMITED"), ("The Company").

In terms of the provisions of Regulation 52(5) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, (Regulations), we inform you that we have received the disclosures made by the Company in the letter enclosed hereto, under Regulation 52(4) for the Half Year ended September 2020.

Thanking you.

Yours faithfully,

For IDBI Trusteeship Services Limited



AUTHORISED SIGNATORY

Encl: As above.

No. CTL/DEB/20-21/Noting Certificate/2832

November 03, 2020

To Whomsoever It May Concern,

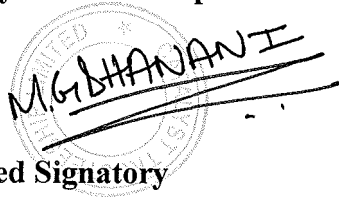
CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[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 the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Aavas Financiers Limited (“the Company”)** for the Half year ended September 30, 2020.

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



Authorised Signatory

Encl: Results submitted by Company



Ref. No. AAVAS/SEC/2020-21/430

Date: October 29, 2020

To, The National Stock Exchange of India Limited The Listing Department Exchange Plaza, Bandra Kurla Complex, Mumbai - 400051 Scrip Symbol: AAVAS	To, BSE Limited Dept. of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001 Scrip Code: 541988
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Dear Sir/Madam,

Subject: Outcome of the Board Meeting held on Thursday, October 29, 2020

Pursuant to applicable provisions of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), this is to inform you that the Board of Directors of the Company at its Meeting held today i.e. on Thursday, October 29, 2020, has *inter-alia*, considered and approved the following:

1. Unaudited Financial (Standalone and Consolidated) Results of the Company for the quarter and half year ended September 30, 2020 ("Financial Results");
2. Reduction in AFL Prime Lending Rate of the Company by 10 basis points with effect from January 01, 2021.

Please find enclosed herewith the following:

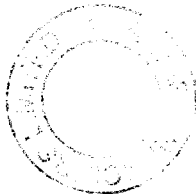
1. Limited Review Report submitted by Statutory Auditors of the Company, S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants;
2. Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2020;
3. Disclosures pursuant to Regulation 52(4) of the SEBI LODR Regulations;
4. Statement pursuant to Regulation 52(7) of the SEBI LODR Regulations.

Please note that the said Board Meeting commenced at 12:30 p.m. (IST) and concluded at 02:31 p.m. (IST).

Kindly take the same on record.

Thanks & Regards,
For Aavas Financiers limited


Sharad Pathak
Company Secretary & Compliance Officer
(FCS-9587)



Enclosed: a/a

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Aavas Financiers Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Aavas Financiers Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
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 Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 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 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 Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. We draw attention to Note 6 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the Company's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty
Partner
Membership No.: 121411

UDIN: 20121411AAABQF5582
Mumbai
October 29, 2020

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

Particulars	(INR in lakh)					
	Quarter ended			Half year ended		Year ended
	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
I Revenue from operations						
Interest income	24,302.41	22,864.81	18,805.55	47,167.22	36,967.88	78,642.51
Fees and commission income	814.12	369.84	748.41	1,183.96	1,435.04	3,327.60
Gain on derecognition of financial instruments under amortised cost category	1,844.14	-	3,441.57	1,844.14	4,134.29	7,658.88
Net gain on fair value changes	76.52	110.44	124.32	186.97	326.50	600.43
Total revenue from operations	27,037.19	23,345.09	23,119.85	50,382.29	42,863.71	90,229.42
II Other income	3.19	14.33	3.92	17.52	11.95	79.99
III Total income (I+II)	27,040.38	23,359.42	23,123.77	50,399.81	42,875.66	90,309.41
IV Expenses						
Finance costs	11,436.49	11,182.07	8,334.88	22,618.56	16,373.81	35,607.15
Fees and commission expense	175.08	123.40	217.46	298.48	334.43	490.05
Impairment on financial instruments	805.60	595.58	448.43	1,401.18	773.10	1,533.78
Employee benefits expense	4,296.42	3,604.23	3,381.29	7,900.65	6,570.57	14,707.45
Depreciation, amortization and impairment	511.63	476.21	668.02	987.83	865.13	1,956.13
Other expenses	1,354.42	1,055.37	976.71	2,409.79	2,427.97	5,810.18
Total expenses (IV)	18,579.64	17,036.86	14,026.79	35,616.49	27,345.01	60,104.74
V Profit before tax (III-IV)	8,460.74	6,322.56	9,096.98	14,783.32	15,530.65	30,204.67
VI Tax expense:						
(1) Current tax	1,973.01	1,859.01	1,548.69	3,832.02	3,694.35	6,397.21
(2) Deferred tax expense/(credit)	(131.03)	(544.16)	(52.27)	(675.19)	(295.01)	(1,104.63)
Total tax expense (VI)	1,841.98	1,314.85	1,496.42	3,156.83	3,399.34	5,292.58
VII Profit for the period (V-VI)	6,618.76	5,007.71	7,600.56	11,626.49	12,131.31	24,912.09
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	48.13	-	8.91	48.13	8.91	(6.97)
Income Tax Effect	(12.11)	-	(2.24)	(12.11)	(2.24)	1.75
b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
VIII Other comprehensive income, net of income tax	36.02	-	6.67	36.02	6.67	(5.22)
IX Total comprehensive income for the period (VII+VIII)	6,654.78	5,007.71	7,607.23	11,662.51	12,137.98	24,906.87
X Earnings per equity share (EPS for the quarters/half years are not annualised)						
Basic (Amount in INR)	8.45	6.39	9.73	14.84	15.53	31.86
Diluted (Amount in INR)	8.37	6.33	9.62	14.71	15.35	31.49
Face value per share (Amount in INR)	10.00	10.00	10.00	10.00	10.00	10.00



Sudhakar
AAVAS FINANCIERS LIMITED

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

Notes to the financial results :

- The financial results have been prepared in accordance with applicable accounting standards prescribed under section 133 of Companies Act, 2013 read with (Indian Accounting Standard) Rules, 2015 (Ind AS), as amended from time to time, and other accounting principles generally accepted in India.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2020 and subjected to limited review by the statutory auditors of the Company.

Particulars	(INR in Lakh)		
	As at		
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
ASSETS			
Financial assets			
Cash and cash equivalents	2,510.94	23,710.52	35,022.40
Other bank balance	148,040.44	59,443.13	84,183.13
Derivative financial instruments	-	89.06	-
Loans	668,734.46	531,423.83	618,079.83
Investments	450.00	450.00	450.00
Other financial assets	18,029.83	17,252.26	18,136.68
Sub-total - Financial Assets	837,765.67	632,368.80	755,872.04
Non-financial assets			
Current tax assets (net)	758.44	1,945.01	1,438.03
Property, plant and equipment	2,506.88	1,942.76	2,699.83
Capital work-in-progress	1.71	-	30.99
Intangible assets under development	51.67	36.44	39.90
Other Intangible assets	388.81	359.61	414.84
Right-of-use assets	2,745.75	2,696.34	2,874.20
Other non-financial assets	838.22	1,201.79	629.73
Sub-total - Non-financial Assets	7,291.48	8,181.95	8,127.52
Assets held for sale	1,637.07	1,174.01	1,804.30
Total Assets	846,694.22	641,724.76	765,803.86
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,359.41	2,660.11	1,737.64
Debt securities	126,929.18	77,848.16	116,846.54
Borrowings (other than Debt Securities)	465,723.40	334,014.35	408,391.40
Subordinated liabilities	9,969.54	9,961.86	9,965.61
Lease liabilities	2,955.99	2,754.45	3,012.91
Other financial liabilities	13,413.46	12,038.83	10,694.78
Sub-total - Financial Liabilities	620,350.98	439,277.76	550,648.88
Non-financial liabilities			
Provisions	639.57	609.08	827.04
Deferred tax liabilities (net)	2,495.11	3,979.91	3,170.30
Other non-financial liabilities	1,059.16	1,654.39	1,364.27
Sub-total - Non-financial Liabilities	4,193.84	6,243.38	5,361.61
Equity			
Equity share capital	7,838.41	7,816.84	7,832.27
Other equity	214,310.99	188,386.78	201,961.10
Sub-total - Equity	222,149.40	196,203.62	209,793.37
Total Liabilities and Equity	846,694.22	641,724.76	765,803.86



AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

Particulars	(INR in Lakh)		
	Period ended		
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss	14,783.32	15,530.65	30,204.67
Adjustments for			
Depreciation and amortisation of PPE and right of use assets	987.83	865.13	1,956.13
Interest on lease liabilities	81.58	110.59	249.58
Net gain on derecognition on assigned loans	1,281.63	(1,588.16)	(2,154.54)
Provision for expected credit loss (ECL)	1,398.02	542.71	1,026.98
Provision for employee benefits	162.33	107.97	281.30
Derivative mark to market gain	-	(3.24)	(3.23)
Provision for CSR expenditure	-	(46.92)	17.28
Share based payments	489.00	171.43	647.14
Operating profit before working capital changes	19,183.71	15,690.16	32,225.31
Changes in working capital			
Increase in loans	(51,953.34)	(59,357.28)	(146,461.03)
(Increase)/decrease in financial and other assets	(1,584.78)	151.47	(1,572.05)
Increase in financial and other liabilities	856.78	6,128.16	4,708.25
Total of changes in working capital	(52,681.34)	(53,077.65)	(143,324.83)
Direct taxes paid	(3,164.55)	(3,929.52)	(6,126.03)
Net cash flow used in operating activities (A)	(36,662.18)	(41,317.01)	(117,225.55)
Cash flow from investing activities:			
Inflow (outflow) on account of :			
Investment in fixed deposits	(63,857.30)	(7,494.53)	(32,234.53)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(244.39)	(508.72)	(1,954.17)
Sale of Property, plant and equipment	0.39	11.84	14.43
Net cash flow used in investing activities (B)	(64,101.30)	(7,991.41)	(34,174.27)
Cash flow from financing activities:			
Issue of equity shares (including share premium)	207.72	198.28	547.42
Share / debenture issue expenses	(14.34)	(395.01)	(908.10)
Proceeds from borrowings	108,509.04	87,035.08	236,122.26
Repayment of borrowings	(39,934.55)	(29,312.61)	(64,283.88)
Repayment of lease liabilities	(515.85)	(473.02)	(1,021.70)
Net Cash flow from financing activities (C)	68,252.02	57,052.72	170,456.00
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(32,511.46)	7,744.30	19,056.18
Cash and cash equivalents as at the beginning of the year	35,022.40	15,966.22	15,966.22
Cash and cash equivalents at the end of the period	2,510.94	23,710.52	35,022.40

5 The Company has allotted 5,759 and 55,645 equity shares to eligible employees under Employee stock Option Plan (ESOP) 2016 at a price of INR 215.25 and INR 328 per equity share at premium of INR 205.25 and INR 318 per equity share respectively.

6 COVID-19 is a global pandemic, which continues to spread across the world with India not being an exception and has contributed to a significant volatility in global and Indian financial markets and a unprecedented level of disruption on socio-economic activities. Based on the information available till date, the Company has used the principles of prudence to provide for the impact of the pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets. This has resulted in an additional provision of INR 568 lakh against financial assets during the quarter, taking the overall additional provision of INR 1,473.75 lakh as of September 30, 2020. The extent to which the COVID-19 pandemic will impact the Company's operations and financial metrics including the expected credit losses on financial assets will depend on future developments, which are highly uncertain.

In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts opting for moratorium, the prudential assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).



AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

7 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 ('RBI Regulatory Package') the Company is granting moratorium on the payment of Installments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 ('moratorium period') to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Company from the number of days past-due for the purpose of asset classification. The Company holds provisions as at September 30, 2020 / March 31, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package-Asset Classification and Provisioning' are given below:

Particulars	(INR in Lakh)	
	As at	
	30.09.2020	31.03.2020
Amount in SMA/Overdue categories as of February 29, 2020*	16,767.30	16,767.30
Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	16,516.30	15,486.39
Respective amount where asset classification benefit is extended (as of September 30, 2020 /March 31, 2020)	8,564.93	722.44
Provision made in terms of paragraph 5 of the circular (As per para 4, applicable to HFC's covered under Ind AS) (as of September 30, 2020 /March 31, 2020) **	1,473.75	443.75
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of September 30, 2020 /March 31, 2020 in terms of paragraph 6 of the circular	1,473.75	443.75

*SMA/Overdue category includes - Cases (1-90 days past due (DPD))

**This includes overall additional provision on account of COVID-19

- 8 Honourable Supreme Court of India (Hon'ble SC) in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("interim order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account which was not NPA as of August 31, 2020 as per NHB norms, as NPA after August 31, 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble SC rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- 9 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.
- 10 The Company is engaged primarily in the business of housing finance and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.
- 11 Figures for the previous year/period have been regrouped and / or reclassified wherever considered necessary.

Place: Jaipur
Date: October 29, 2020



For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sushil Kumar Agarwal
Sushil Kumar Agarwal
(Managing Director and CEO)



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Aavas Financiers Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Aavas Financiers Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entity:
 - i) Aavas Finserv Limited
5. Based on our review conducted and procedures performed 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

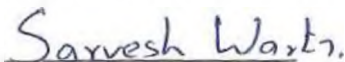
Emphasis of Matter

6. We draw attention to Note 7 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the Group's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 20121411AAABQG8333

Mumbai

October 29, 2020

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

Particulars	Quarter ended			Half year ended		(INR in lakh)
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	Year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I Revenue from operations						
Interest income	24,307.98	22,870.70	18,809.84	47,178.67	36,979.85	78,667.67
Fees and commission income	814.12	369.84	748.41	1,183.96	1,435.04	3,327.60
Gain on derecognition of financial instruments under amortised cost category	1,844.14	-	3,441.57	1,844.14	4,134.29	7,658.88
Net gain on fair value changes	76.52	110.44	124.32	186.97	326.50	600.43
Total revenue from operations	27,042.76	23,350.98	23,124.14	50,393.74	42,875.68	90,254.58
II Other Income	3.19	14.33	3.92	17.52	11.95	79.99
III Total Income (I+II)	27,045.95	23,365.31	23,128.06	50,411.26	42,887.63	90,334.57
IV Expenses						
Finance costs	11,436.49	11,182.07	8,334.88	22,618.56	16,373.81	35,607.15
Fees and commission expense	175.08	123.40	217.46	298.48	334.43	490.05
Impairment on financial instruments	805.60	595.58	448.43	1,401.18	773.10	1,533.78
Employee benefits expense	4,318.52	3,624.66	3,381.29	7,943.18	6,570.57	14,740.79
Depreciation, amortization and impairment	511.81	476.39	668.02	988.19	865.13	1,956.26
Other expenses	1,356.97	1,055.76	976.99	2,412.73	2,429.58	5,812.90
Total expenses (IV)	18,604.47	17,057.86	14,027.07	35,662.32	27,346.62	60,140.93
V Profit before tax (III-IV)	8,441.48	6,307.45	9,100.99	14,748.94	15,541.01	30,193.64
VI Tax expense:						
(1) Current tax	1,973.01	1,859.01	1,549.57	3,832.02	3,696.78	6,397.21
(2) Deferred tax expense/(credit)	(135.99)	(548.07)	(52.27)	(684.06)	(295.01)	(1,107.73)
Total tax expense (VI)	1,837.02	1,310.94	1,497.30	3,147.96	3,401.77	5,289.48
VII Profit for the period (V-VI)	6,604.46	4,996.51	7,603.69	11,600.98	12,139.24	24,904.16
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	48.13	-	8.91	48.13	8.91	(6.97)
Income Tax Effect	(12.11)	-	(2.24)	(12.11)	(2.24)	1.75
b) Items that will be reclassified to profit or loss						
VIII Other comprehensive income, net of income tax	36.02	-	6.67	36.02	6.67	(5.22)
IX Total comprehensive income for the period (VII+VIII)	6,640.48	4,996.51	7,610.36	11,637.00	12,145.91	24,898.94
X Earnings per equity share (EPS for the quarters/half years are not annualised)						
Basic (Amount in INR)	8.43	6.38	9.73	14.81	15.54	31.85
Diluted (Amount in INR)	8.36	6.32	9.62	14.68	15.36	31.48
Face value per share (Amount in INR)	10.00	10.00	10.00	10.00	10.00	10.00



AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

Notes to the financial results :

- 1 The consolidated financial results have been prepared in accordance with Ind AS 110 – Consolidated Financial Statements, prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the relevant rules issued thereunder and the other relevant provisions of the Act.
- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2020 and subjected to limited review by the statutory auditors of the Company.

Particulars	(INR in Lakh)		
	As at		
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
ASSETS			
Financial assets			
Cash and cash equivalents	2,956.56	23,761.10	35,059.39
Other bank balance	148,040.44	59,873.13	84,613.13
Derivative financial instruments	-	89.06	-
Loans	668,734.46	531,423.83	618,079.83
Other financial assets	18,030.31	17,253.39	18,137.69
Sub-total - Financial Assets	837,761.77	632,400.51	755,890.04
Non-financial assets			
Current tax assets (net)	764.51	1,945.70	1,443.24
Property, plant and equipment	2,507.66	1,942.76	2,700.97
Capital work-in-progress	1.71	-	30.99
Intangible assets under development	51.67	36.44	39.90
Other Intangible assets	388.81	358.61	414.84
Right-of-use assets	2,745.75	2,696.34	2,874.20
Other non- financial assets	798.80	1,184.95	603.89
Sub-total - Non-financial Assets	7,258.91	8,165.80	8,108.03
Assets held for sale	1,637.07	1,174.01	1,804.30
Total Assets	846,657.75	641,740.32	765,802.37
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,359.95	2,661.65	1,738.64
Debt securities	126,929.18	77,848.16	116,846.54
Borrowings (other than Debt Securities)	465,723.40	334,014.35	408,391.40
Subordinated liabilities	9,969.54	9,961.86	9,965.61
Lease liabilities	2,955.99	2,754.45	3,012.91
Other financial liabilities	13,413.46	12,038.83	10,694.78
Sub-total - Financial Liabilities	620,351.52	439,279.30	550,649.88
Non-financial liabilities			
Provisions	639.57	609.08	827.04
Deferred tax liabilities (net)	2,483.13	3,979.91	3,167.20
Other non-financial liabilities	1,061.48	1,654.39	1,366.73
Sub-total - Non-financial Liabilities	4,184.18	6,243.38	5,360.97
Equity			
Equity share capital	7,838.41	7,816.84	7,832.27
Other equity	214,283.64	188,400.80	201,959.25
Sub-total - Equity	222,122.05	196,217.64	209,791.52
Total Liabilities and Equity	846,657.75	641,740.32	765,802.37



AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

Particulars	(INR in Lakh)		
	Period ended		
	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Audited)
Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss	14,748.94	15,541.01	30,193.64
Adjustments for			
Depreciation and amortisation of PPE and right of use assets	988.19	865.13	1,956.27
Interest on lease liabilities	81.58	110.59	249.58
Net gain on derecognition on assigned loans	1,281.63	(1,588.16)	(2,154.54)
Provision for expected credit loss (ECL)	1,398.02	542.71	1,026.98
Provision for employee benefits	162.33	107.97	281.30
Derivative mark to market gain	-	(3.24)	(3.23)
Provision for CSR expenditure	-	(46.92)	17.28
Share based payments	489.00	171.43	647.14
Operating profit before working capital changes	19,149.69	15,700.52	32,214.42
Changes in working capital			
Increase in loans	(51,953.34)	(59,357.28)	(146,461.03)
(Increase)/decrease in financial and other assets	(1,584.44)	153.23	(1,569.30)
Increase in financial and other liabilities	869.95	6,131.46	4,722.78
Total of changes in working capital	(52,667.83)	(53,072.59)	(143,307.55)
Direct taxes paid	(3,165.41)	(3,931.12)	(6,130.92)
Net cash flow used in operating activities (A)	(36,683.55)	(41,303.19)	(117,224.05)
Cash flow from investing activities:			
Inflow (outflow) on account of :			
Investment in fixed deposits	(63,427.30)	(7,494.53)	(32,234.53)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(244.39)	(508.72)	(1,955.45)
Sale of Property, plant and equipment	0.39	11.84	14.43
Net cash flow used in investing activities (B)	(63,671.30)	(7,991.41)	(34,175.55)
Cash flow from financing activities:			
Issue of equity shares (including share premium)	207.72	198.28	547.42
Share / debenture issue expenses	(14.34)	(395.01)	(908.10)
Proceeds from borrowings	108,509.04	87,035.07	236,122.26
Repayment of borrowings	(39,934.55)	(29,312.61)	(64,283.88)
Repayment of lease liabilities	(515.85)	(473.02)	(1,021.70)
Net Cash flow from financing activities (C)	68,252.02	57,052.71	170,456.00
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(32,102.83)	7,758.11	19,056.40
Cash and cash equivalents as at the beginning of the year	35,059.39	16,002.99	16,002.99
Cash and cash equivalents at the end of the period	2,956.56	23,761.10	35,059.39

5 The consolidated financial results include result of the following Company:

Name of the Company	% Shareholding and voting power of Aavas Financiers Limited	Consolidated as
Aavas Finserv Limited	100%	Subsidiary

6 The Holding Company has allotted 5,759 and 55,645 equity shares to eligible employees under Employee stock Option Plan (ESOP) 2016 at a price of INR 215.25 and INR 328 per equity share at premium of INR 205.25 and INR 318 per equity share respectively.

7 COVID-19 is a global pandemic, which continues to spread across the world with India not being an exception and has contributed to a significant volatility in global and Indian financial markets and a unprecedented level of disruption on socio-economic activities. Based on the information available till date, the Company has used the principles of prudence to provide for the impact of the pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets. This has resulted in an additional provision of INR 568 lakh against financial assets during the quarter, taking the overall additional provision of INR 1,473.75 lakh as of September 30, 2020. The extent to which the COVID-19 pandemic will impact the Company's operations and financial metrics including the expected credit losses on financial assets will depend on future developments, which are highly uncertain.

In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts opting for moratorium, the prudential assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).



AAVAS FINANCIERS LIMITED
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Statement of consolidated financial results for the quarter and half year ended September 30, 2020

- 8 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 ('RBI Regulatory Package') the Company is granting moratorium on the payment of installments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 ('moratorium period') to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Company from the number of days past-due for the purpose of asset classification. The Company holds provisions as at September 30, 2020 / March 31, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package-Asset Classification and Provisioning' are given below:

Particulars	(INR In Lakh)	
	As at	
	30.09.2020	31.03.2020
Amount in SMA/Overdue categories as of February 29, 2020*	16,767.30	16,767.30
Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	16,516.30	15,486.39
Respective amount where asset classification benefit is extended (as of September 30, 2020 /March 31, 2020)	8,564.93	722.44
Provision made in terms of paragraph 5 of the circular (As per para 4, applicable to HFC's covered under Ind AS) (as of September 30, 2020 /March 31, 2020) **	1,473.75	443.75
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of September 30, 2020 /March 31, 2020 in terms of paragraph 6 of the circular	1,473.75	443.75

*SMA/Overdue category includes - Cases (1-90 days past due (DPD))

**This includes overall additional provision on account of COVID-19

- 9 Honourable Supreme Court of India (Hon'ble SC) in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("interim order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account which was not NPA as of August 31, 2020 as per NHB norms, as NPA after August 31, 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble SC rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- 10 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.
- 11 The Holding Company is engaged primarily in the business of housing finance and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.
- 12 Figures for the previous year/period have been regrouped and / or reclassified wherever considered necessary.

Place: Jaipur
Date: October 29, 2020



For and on behalf of the Board of Directors
AAVAS FINANCIERS LIMITED

Sushil Kumar Agarwal
Sushil Kumar Agarwal
(Managing Director and CEO)



Disclosures in accordance with Regulation 52 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended on September 30, 2020

(a) Credit Rating and changes in Credit Rating (if any):

The Company being rated by leading rating agencies of India, the Credit Ratings of the Company as on September 30, 2020 are as follows:-

Nature of Debt Instrument	Rating Agency	Term	Credit Ratings	Credit Ratings
			(March 31, 2020)	(September 30, 2020)
Non-Convertible Debentures	CARE	Long Term	AA- / Stable	AA- / Stable
	ICRA	Long Term	A+ / Positive	AA- / Stable
Bank Loans	CARE	Long Term	AA- / Stable	AA- / Stable
	ICRA	Long Term	A+ / Positive	AA- / Stable
Subordinated Debt	CARE	Long Term	AA- / Stable	AA- / Stable
Commercial Paper	CARE	Short Term	A1+	A1+
	ICRA	Short Term	A1+	A1+
	India Ratings	Short Term	A1+	A1+

(b) Asset Cover available: All secured Non-Convertible Debentures issued by the Company are secured by way of exclusive hypothecation of specified receivables and against specified immovable property of the company to the extent of at least 100% of outstanding secured Non-Convertible Debentures.

(c) Debt Equity Ratio: 2.73 Times

(d) Details of previous due dates falling during the half year ended on September 30, 2020 for payment of interest/Repayment of principal of Non-Convertible Debt Securities:

ISIN	Interest/ Principal due dates		Interest/ Principal payment dates		Payment Status on due date
	Interest	Principal	Interest	Principal	
INE216P07159	17.04.2020	-	17.04.2020	-	Paid
INE216P07126	-	19.10.2020	-	27.04.2020	Paid
INE216P07134	18.05.2020	-	18.05.2020	-	Paid

(e) Details of Next due dates falling during the half year ended on March 31, 2021 for payment of interest/Repayment of principal of Non-Convertible Debt securities:

ISIN	Next due dates from October 01, 2020 to March 31, 2021	
	Interest	Principal
INE216P07159	17.10.2020	-
INE216P07134	18.11.2020	-
INE216P08017	22.12.2020	-
INE216P07183	22.12.2020	-



- (f) **Debt service coverage ratio:** 0.49 Times
- (g) **Interest service coverage ratio:** 1.70 Times
- (h) **Debenture Redemption Reserve:** HFC's Registered with the NHB are not required to create Debenture Redemption Reserve in case of Privately Placed Debentures and Company has not issued any Preference Shares.
- (i) **Net Worth:** Net Worth of the Company as on September 30, 2020 is Rs. 2,22,149.40 lakh.
- (j) **Net Profit after Tax:** Net Profit after tax for the half year ended September 30, 2020 is Rs. 11,626.49 lakh.
- (k) **Earnings per Share:** basic and diluted EPS for the half year ended September 30, 2020 is Rs. 14.84 and Rs. 14.71 respectively.

Thanks & Regards,

For Aavas Financiers Limited



Sharad Pathak
Company Secretary & Compliance Officer
(FCS-9587)

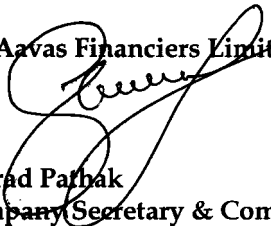
Statement under Regulation 52(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby confirm that the proceeds raised from the issue of Non-Convertible Debentures (NCDs) have been utilized for the purpose as mentioned in the Offer Document/Disclosure Document and there have been no material deviations in the utilization of such proceeds as on September 30, 2020.

We request you to take the same on records.

Thanks & Regards,

For Aavas Financiers Limited


Sharad Pathak
Company Secretary & Compliance Officer
(FCS-9587)

