

February 1, 2022

The Manager
Listing Department
BSE Limited, P.J. Towers,
Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on February 1, 2022

We wish to inform you that at the meeting of the Board of Directors of the Company held today i.e. February 1, 2022, the Board has approved the following:

- 1) Unaudited Financial Results for the quarter and nine months ended December 31, 2021 and Limited Review Report with unmodified opinion on the financial statements issued by the Statutory Auditors of the Company in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) Approved the appointment of Mr. Amit Gainda, as an Additional Director and as the Managing Director and Key Managerial Personnel of the Company, upon receipt of his Director Identification Number and subject to requisite approvals.
- 3) Constitution of Stakeholders Relationship Committee (“SRC”) in compliance with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on record and oblige.

Thanking you

Yours faithfully
For Avanse Financial Services Limited


Vikas Tarekar
Company Secretary

Avanse Financial Services Ltd.
Registered & Corporate Office:
001 & 002 Fulcrum, A Wing, Ground Floor,
Sahar Road, Next to Hyatt Regency,
Andheri (East), Mumbai - 400 099 Maharashtra.

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ASPIRE WITHOUT BOUNDARIES

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Avanse Financial Services Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Avanse Financial Services Limited (the "Company") for the quarter ended December 31, 2021 and year to date from April 1, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") 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 and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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 Ind AS 34 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, 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.
5. We draw attention to Note 7 to the Statement, which describes the management's assessment of uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. Our conclusion is not modified in respect of this matter.
6. The comparative Ind AS financial information of the Company for the corresponding quarter and nine month ended December 31, 2020, included in these Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor who expressed an unmodified opinion on that financial information on May 06, 2021.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

**SHRAWAN
BHAGWATI
JALAN**

Digitally signed by SHRAWAN
BHAGWATI JALAN
DN: cn=SHRAWAN BHAGWATI
JALAN, c=IN, o=Personal,
email=shrawan.jalan@srb.in
Date: 2022.02.01 17:16:59 +05'30'

per Shrawan Jalan

Partner

Membership No.: 102102

UDIN: 22102102AAAABW6401

Mumbai

February 1, 2022

Avanse Financial Services Limited
CIN : U67120MH1992PLC068060

Regd office : 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai - 400 099
T: 022 6859 9999 F: 022 6859 9900 Website : www.avanse.com Email : investorrelations@avanse.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rs. in Lakh)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
(a)	Interest income	12,351.00	10,825.10	9,389.53	33,134.95	28,715.75	38,253.38
(b)	Net gain on fair value changes	94.32	69.78	75.01	270.56	386.21	452.06
(c)	Other operating income	248.63	1,723.35	1,397.19	3,249.48	3,648.56	5,096.62
	Total revenue from operations	12,693.95	12,618.23	10,861.73	36,654.99	32,750.52	43,802.06
	Other income	2.20	3.30	39.11	8.82	73.38	87.07
	Total income	12,696.15	12,621.53	10,900.84	36,663.81	32,823.90	43,889.13
2	Expenses						
(a)	Finance costs	7,143.82	6,089.53	6,170.78	19,191.49	19,781.25	25,609.17
(b)	Impairment on financial instruments (Expected credit loss)	78.16	399.37	183.92	1,168.37	1,570.67	2,231.78
(c)	Employee benefits expense	1,606.37	1,773.27	1,399.58	4,910.65	4,292.58	5,933.73
(d)	Depreciation and amortisation	306.33	314.69	367.38	949.97	1,020.02	1,384.69
(e)	Other expenses	1,773.85	1,432.16	934.28	4,461.58	2,580.36	3,874.99
	Total expenses	10,908.53	10,009.02	9,055.96	30,682.06	29,244.88	39,034.36
3	Profit before tax (1-2)	1,787.62	2,612.51	1,844.88	5,981.75	3,579.02	4,854.77
4	Tax expense						
(a)	Current tax	743.26	767.58	422.81	2,106.85	1,180.57	1,682.95
(b)	Tax adjustment in respect of earlier year	-	-	-	-	(169.58)	(169.58)
(c)	Deferred tax	(287.63)	(107.00)	41.59	(591.12)	(268.92)	(448.46)
	Total tax expenses	455.63	660.58	464.40	1,515.73	742.07	1,064.91
5	Net profit after tax for the period/year (3-4)	1,331.99	1,951.93	1,380.48	4,466.02	2,836.95	3,789.86
6	Other comprehensive income						
(A)	Items that will not be reclassified to profit or loss						
(i)	Actuarial gain / (loss) on post retirement benefit plans	(9.48)	4.98	-	12.60	42.60	68.40
(ii)	Income tax on above	2.39	(1.25)	-	(3.17)	(10.72)	(17.21)
	Subtotal (A)	(7.09)	3.73	-	9.43	31.88	51.19
(B)	Items that will be reclassified to profit or loss						
(i)	Fair value gain on derivative financial instrument	206.91	214.96	325.50	(156.25)	92.70	(107.81)
(ii)	Income tax on above	(52.07)	(54.10)	(81.92)	39.33	(23.33)	27.13
	Subtotal (B)	154.84	160.86	243.58	(116.92)	69.37	(80.68)
	Total other comprehensive income (A+B)	147.75	164.59	243.58	(107.49)	101.25	(29.49)
7	Total comprehensive Income (5+6)	1,479.74	2,116.52	1,624.06	4,358.53	2,938.20	3,760.37
8	Earnings per equity share						
(a)	Basic EPS (in Rs.)	1.61	2.36	1.67	5.41	3.43	4.59
(b)	Diluted EPS (in Rs.)	1.61	2.36	1.67	5.41	3.43	4.59
(c)	Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
9	Disclosures under Regulation 52(4)						
1.	Debt Equity ratio	3.31	2.97	2.46	3.31	2.46	2.49
2.	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
3.	Capital redemption reserve	-	-	-	-	-	-
4.	Debenture redemption reserve	-	-	-	-	-	-
5.	Net worth*	96,061.15	94,704.84	91,315.17	96,061.15	91,315.17	92,055.21
6.	Total debt to total assets (%)	69.10%	71.03%	66.42%	69.10%	66.42%	67.39%
7.	Net profit margin (%)**	10.49%	15.47%	12.71%	12.18%	8.66%	8.65%
8.	Sector specific equivalent ratios						
(a)	Gross Stage 3%	1.53%	1.50%	2.13%	1.53%	2.13%	1.72%
(b)	Net Stage 3%	0.64%	0.44%	0.63%	0.64%	0.63%	0.43%
<p>* Networth is equal to paid up equity share capital plus other equity less deferred tax assets less intangible assets less right of use asset and corresponding liabilities</p> <p>** Net profit margin is revenue from operations divided by net profit after tax</p> <p>Note: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable.</p> <p>Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.</p>							



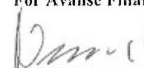
Notes:

- 1 The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India (RBI) classified as an Investment and Credit Company (NBFC-ICC).
- 2 The above financial results for the quarter and nine months ended December 31, 2021 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on February 01, 2022. The financial results have been subjected to a limited review by the statutory auditors of the Company and their report thereon is unmodified.
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. Accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 (the Act), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021.
- 4 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed Commercial Papers on BSE Limited.
- 5 The Company is primarily engaged in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with operating segment.
- 6 Earnings per equity share for the quarter and nine months ended December 31, 2021 and comparative periods have not been annualised.
- 7 The COVID -19 pandemic continues to have a considerable impact on economic activities across the globe. In April-May 2021, India experienced a "second wave" of COVID-19 with a significant surge of COVID-19 cases, following the discovery of mutant coronavirus variants in the country leading to re-imposition of regional lockdowns. These have been gradually lifted with the ebbing of the second wave. The world is now experiencing another outbreak on account of new coronavirus variant and as a precautionary measure India has started to reimpose localised / regional restrictions.

The COVID-19 has led to changes in customer behavior, travel restrictions both domestic & international and decrease in economic activities. Given the uncertainty over the potential macro-economic impact and external regulatory developments, the Company has assessed the impact of the Covid 19 on determination of the provision for impairment of loans to customers carried at amortised cost, considering internal and external information up to the date of approval of these financial results. The final impact of the global health pandemic continues to be uncertain and the actual impact on these financial results may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. Given the dynamic and evolving nature of pandemic, the management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.
- 8 The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards provident fund and gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified. The Company has taken professional opinion in this regard and will ensure that it makes adequate provisions to remain compliant with all requirements.
- 9 The figures for the previous period/year have been regrouped / reclassified wherever necessary to conform to the current period's/year's presentation.

Place : Mumbai
Date : February 01, 2022

For Avanse Financial Services Limited


Neeraj Swaroop
Chairperson
DIN - 00061170



Note 1 :
Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021:

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated 6 August 2020 are given below.

As at 31 December 2021

Format A

(In Lakhs)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	214	5,778.12	-	-	582.12
Corporate persons*	-	-	-	-	-
Of which, MSMEs	236	12,363.19	-	-	1,538.77
Others	-	-	-	-	-
Total	450	18,141.31	-	-	2,120.89

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Format B

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous quarter end (A)	Of (A), aggregate debt that slipped into NPA during the quarter end	Of (A), aggregate debt that slipped into NPA during the quarter end	Of (A) amount paid by the borrowers during the quarter end	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this quarter end
Personal loans	5,890.00	-	-	159.69	5,851.50
Corporate persons*	-	-	-	-	-
Of which, MSMEs	12,455.29	1,003.41	-	223.65	11,557.25
Others	-	-	-	-	-
Total	18,345.29	1,003.41	-	383.34	17,408.75

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 are given below:

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	135.00	-	-
(B)	Number of accounts where resolution plan has been implemented under this window *	87.00	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	2,190.05	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	234.94	-	-

Note 2 :

During the quarter and nine months ended December 31, 2021, Company has not entered into any Direct Assignment arrangement and has not transferred any stressed assets which are required to be disclosed pursuant to RBI notification no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22.

