

February 2, 2023

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, 2023 and February 2, 2023**

We wish to inform you that a meeting of the Board of Directors of the Company was held on February 1, 2023 which was adjourned to February 2, 2023, intimation of which was filed by the Company vide its letter dated January 25, 2023.

We wish to further inform that the Board of Directors of the Company has, at their adjourned meeting held today i.e. February 2, 2023, approved and took note of the following:

1. The un-audited financial results of the Company for the quarter ended December 31, 2022, in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The un-audited financial results along with limited review report and disclosures as required under Regulation 52 (4) and Regulation 54 of the Listing Regulations are enclosed herewith. The said un-audited financial statements have also been uploaded on the website of the Company i.e. [www.avanse.com](http://www.avanse.com).

The financial results will also be published in a newspaper, in the format prescribed by the SEBI within the prescribed time limit.

We request you to take the above on record.

Thanking you.

Yours faithfully,  
For Avanse Financial Services Limited

Rajesh Gandhi  
Company Secretary  
ICSI Membership No.: A-19086

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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[www.avanse.com](http://www.avanse.com)

ASPIRE WITHOUT BOUNDARIES

February 2, 2023

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

Dear Sir/Madam,

**Sub: Asset Cover Declaration**

Ref: Regulation 54 of Listing Regulations

Pursuant to the above-referred regulation, it is hereby declared that all the secured Non- Convertible Debentures issued by the Company are secured by way of first ranking pari passu charge by way of hypothecation over present and future Receivables of the Company to the extent of at least 100% of outstanding secured Non-Convertible Debentures or higher asset cover as per the terms of Offer Document/Information Memorandum for the quarter ended December 31, 2022.

Thanking You,  
For Avanse Financial Services Limited

Vineet Mahajan  
Chief Financial Officer



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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, 2022 and year to date from April 01, 2022 to December 31, 2022 (the "Statement") attached herewith, 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").
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, (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 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 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.

**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: 2023.02.02 19:07:59 +05'30'

**per Shrawan Jalan**  
Partner  
Membership No.: 102102  
UDIN: 23102102BGXIVV1893  
Place: Mumbai  
Date: February 2, 2023

**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 QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022**

(Rs. in Lakh)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
<b>1</b>	<b>Revenue from operations</b>						
(a)	Interest income	24,733.52	20,339.31	11,675.23	61,159.89	34,223.33	47,515.11
(b)	Net gain on fair value changes	287.47	130.48	94.32	522.77	270.56	394.43
(c)	Income on derecognition of financial instrument	-	593.74	-	1,434.98	-	-
(d)	Other operating income	2,128.46	1,999.74	924.39	5,152.99	2,161.11	2,918.95
	<b>Total revenue from operations</b>	<b>27,149.45</b>	<b>23,063.27</b>	<b>12,693.94</b>	<b>68,270.63</b>	<b>36,655.00</b>	<b>50,828.49</b>
	Other income	15.77	12.12	2.20	38.26	8.82	25.68
	<b>Total income</b>	<b>27,165.22</b>	<b>23,075.39</b>	<b>12,696.14</b>	<b>68,308.89</b>	<b>36,663.82</b>	<b>50,854.17</b>
<b>2</b>	<b>Expenses</b>						
(a)	Finance costs	15,824.09	12,532.87	7,143.82	37,813.80	19,191.49	27,388.70
(b)	Impairment on financial instruments (Expected credit loss)	1,499.28	916.97	161.81	3,159.07	1,491.76	1,908.17
(c)	Employee benefits expense	2,386.35	2,196.80	1,606.37	6,632.24	4,910.65	6,647.15
(d)	Depreciation and amortisation	359.69	276.60	306.33	960.52	949.97	1,287.75
(e)	Other expenses	2,102.93	1,803.68	1,690.20	5,418.85	4,138.19	5,076.42
	<b>Total expenses</b>	<b>22,172.34</b>	<b>17,726.92</b>	<b>10,908.53</b>	<b>53,984.48</b>	<b>30,682.06</b>	<b>42,308.19</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>4,992.88</b>	<b>5,348.47</b>	<b>1,787.61</b>	<b>14,324.41</b>	<b>5,981.76</b>	<b>8,545.98</b>
<b>4</b>	<b>Tax expense</b>						
(a)	Current tax	1,572.53	1,321.57	744.24	3,903.24	2,107.82	2,983.45
(b)	Deferred tax	(289.87)	38.47	(245.53)	(250.27)	(549.03)	(758.05)
	<b>Total tax expenses</b>	<b>1,282.66</b>	<b>1,360.04</b>	<b>498.71</b>	<b>3,652.97</b>	<b>1,558.79</b>	<b>2,225.40</b>
<b>5</b>	<b>Net profit after tax for the period/year (3-4)</b>	<b>3,710.22</b>	<b>3,988.43</b>	<b>1,288.90</b>	<b>10,671.44</b>	<b>4,422.97</b>	<b>6,320.58</b>
<b>6</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	5.94	8.55	(9.48)	43.92	12.60	16.52
	(ii) Income tax on above	(1.50)	(2.16)	2.39	(11.05)	(3.17)	(4.16)
	Subtotal (A)	4.44	6.39	(7.09)	32.87	9.43	12.36
	(B) Items that will be reclassified to profit or loss						
	(i) Fair value gain / (loss) on derivative financial instrument	55.46	365.42	206.91	453.11	(156.25)	138.91
	(ii) Income tax on above	(13.96)	(91.97)	(52.07)	(114.04)	39.33	(34.96)
	Subtotal (B)	41.50	273.45	154.84	339.07	(116.92)	103.95
	<b>Total other comprehensive income (A+B)</b>	<b>45.94</b>	<b>279.84</b>	<b>147.75</b>	<b>371.94</b>	<b>(107.49)</b>	<b>116.31</b>
<b>7</b>	<b>Total comprehensive Income (5+6)</b>	<b>3,756.16</b>	<b>4,268.27</b>	<b>1,436.65</b>	<b>11,043.38</b>	<b>4,315.48</b>	<b>6,436.89</b>
<b>8</b>	<b>Earnings per equity share (not annualised for the quarters &amp; nine months)</b>						
(a)	Basic EPS (in Rs.)	4.49	4.83	2.36	12.92	5.36	7.65
(b)	Diluted EPS (in Rs.)	4.18	4.73	2.36	12.31	5.36	7.65
(c)	Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
<b>9</b>	<b>Disclosures under Regulation 52(4)</b>						
1.	Debt Equity ratio	6.15	5.96	3.31	6.15	3.31	3.58
2.	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
3.	Capital redemption reserve	-	-	-	-	-	-
4.	Debenture redemption reserve	-	-	-	-	-	-
5.	Net worth*	1,09,013.52	1,05,818.51	96,060.18	1,09,013.52	96,060.18	98,247.23
6.	Total debt to total assets (%)	78.76%	77.15%	69.10%	78.76%	69.10%	66.22%
7.	Net profit margining (%)**	13.67%	17.29%	10.15%	15.63%	12.07%	12.44%
8.	Sector specific equivalent ratios						
(a)	Gross Stage 3 (%)	0.62%	0.79%	1.53%	0.62%	1.53%	1.29%
(b)	Net Stage 3 (%)	0.24%	0.31%	0.64%	0.24%	0.64%	0.53%

\* 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

\*\* Net profit margin is revenue from operations divided by net profit after tax

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.

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.

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 which have been subjected to limited review by the Statutory Auditors of the Company, have been reviewed by the Audit Committee on February 01, 2023 and subsequently approved by the Board of Directors of the Company on February 02, 2023 at their respective meetings.
- 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 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') as amended.
- 4 Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2021/613 dated 10 August 2021, 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 The secured, listed, non convertible debentures of the Company are secured by way of first pari passu charge on loan receivables of the Company with an asset cover to the extent of minimum security coverage required under Debenture Trust Deed of 1.09 times of the principal outstanding and interest accrued thereon as on December 31, 2022. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- 7 During the nine months ended December 31, 2022, the Nomination and Remuneration Committee of Directors of the Company, has approved the grant of 1,000,766 stock options representing 1,000,766 equity shares of Rs 10 each of the Company to eligible employees.
- 8 Pursuant to the RBI circular dated February 15, 2022, the Company has implemented necessary system in place to align its definition of default for loan assets with the guidelines stipulated in RBI circular dated November 12, 2021 - "Prudential Norms on Income Recognition, Asset classification and Provisioning pertaining to Advances- Clarifications" (the "RBI circular").
- 9 The Company has entered into Share Subscription Agreement (SSA) with Kedaara Capital Growth Fund III LLP ("Kedaara") on December 28, 2022 for preferential allotment of equity shares and as per the SSA the first tranche of allotment of shares was completed on January 19, 2023.
- 10 The Compulsorily Convertible Preference Shares (CCPS) issued during the half year ended September 30, 2022 were subsequently converted to equity shares on January 19, 2023.
- 11 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.
- 12 The figures for the previous period/year have been regrouped / reclassified wherever necessary to conform to the current period's/year's presentation. The figures for the quarter ended 31 December 2022 and 31 December 2021 are the balancing figures between reviewed figures in respect of nine months ended 31 December 2022 and 31 December 2021 and the reviewed figures for the half year ended 30 September 2022 and 30 September 2021 respectively.

Place : Mumbai  
Date : February 02, 2023

**For Avanse Financial Services Limited**

**Amit  
Gaiinda**

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Amit Gaiinda  
Date: 2023.02.02  
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**Amit Gaiinda**  
Managing Director & CEO  
DIN - 09494847

## Annexure 1

## Statement of security cover

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as security	Elimination on (account in negative)	(Total C to H)	Related to only those items covered by this Certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)	Debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)		
		Book Value	Book Value	Yes/No	Book Value	Book Value							Relating to Column F	
<b>Assets</b>														
Property, Plant and Equipment	Freehold Land	-	-	Yes	7.50	-	1,142.12	-	1,149.62	-	-	-	7.50	7.50
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use Assets		-	-	-	-	-	417.62	-	417.62	-	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	636.95	-	636.95	-	-	-	-	-
Intangible Assets under development		-	-	-	-	-	378.30	-	378.30	-	-	-	-	-
Invenstments		-	-	-	-	-	7,400.61	-	7,400.61	-	-	-	-	-
Loans	Receivables	-	-	Yes	6,96,971.26	-	93,285.10	-	7,90,256.37	-	-	-	6,96,971.26	6,96,971.26
Inventories		-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	-	-	-	804.24	-	804.24	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	63,806.42	-	63,806.42	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-	3,237.36	-	3,237.36	-	-	-	-	-
Others		-	-	-	-	-	6,546.27	-	6,546.27	-	-	-	-	-
<b>Total</b>		-	-	-	<b>6,96,978.76</b>	-	<b>1,77,654.99</b>	-	<b>8,74,633.76</b>	-	-	-	<b>6,96,978.76</b>	<b>6,96,978.76</b>
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains		-	-	Yes	2,50,132.54	-	-	-	2,50,132.54	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		-	-	Yes	3,91,057.72	-	-	-	3,91,057.72	-	-	-	-	-
Other debt		-	-	-	-	-	42,159.86	-	42,159.86	-	-	-	-	-
Subordinated debt		-	-	-	-	-	7,994.45	-	7,994.45	-	-	-	-	-
Borrowings		-	-	-	-	-	-	-	-	-	-	-	-	-
Bank		-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Securities		-	-	-	-	-	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables		-	-	-	-	-	5,391.67	-	5,391.67	-	-	-	-	-
Lease Liabilities		-	-	-	-	-	482.66	-	482.66	-	-	-	-	-
Provisions		-	-	-	-	-	94.06	-	94.06	-	-	-	-	-
Others		-	-	-	-	-	65,317.66	-	65,317.66	-	-	-	-	-
<b>Total</b>		-	-	-	<b>6,41,190.26</b>	-	<b>1,21,440.36</b>	-	<b>7,62,630.64</b>	-	-	-	-	-
<b>Covered on Book value</b>					<b>1.09</b>									
<b>Covered on Market value</b>														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio		1.09							

## Notes:

- The Security Cover ratio pertains to only listed secured debt.
- IND-AS adjustment for effective Interest rate on secured Non-Convertible Debentures (NCD) is excluded from assets cover computation being an accounting adjustment and accordingly the asset cover is computed on a gross basis.
- Loans amount represents loan as per unaudited financial results for the nine months ended December 31, 2022 (net off provision).
- The amount has been extracted from the unaudited financial results for the quarter and nine months ended December 31, 2022.
- Security cover is calculated only on debt for which this certificate is being issue.
- Assets considered for pari-passu charge and exclusive charge is calculated based on asset cover requirement as per respective placement memorandum/term sheets for securities.