

Ref. No. AFSL/SECL/2023-24/075

November 08, 2023

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

Dear Sir/Madam,

**Sub: Outcome of meeting of the Board of Directors of Avanse Financial Services Limited held on November 07, 2023 and which was reconvened on November 08, 2023**

Pursuant to the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with the SEBI’s Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper, as updated from time to time, we wish to inform that the Board of Directors (“**the Board**”) at their reconvened meeting held today i.e. Wednesday, November 08, 2023 has, *inter-alia* considered and approved the unaudited financial results for the quarter and half year ended September 30, 2023 in terms of Regulation 52 of the Listing Regulations;

Please find enclosed herewith the following documents:

- i. The unaudited financial results of the Company for the quarter and half year ended September 30, 2023 along with the half-yearly statement of assets and liabilities and cash flow statement;
- ii. Limited review report, issued by the Statutory Auditors of the Company, on the aforesaid unaudited financial results;
- iii. Disclosure of ratios and prescribed line items pursuant to Regulation 52(4) of the Listing Regulations;
- iv. Disclosure as to the extent and nature of security created and maintained by the Company, with respect to its secured listed non-convertible debt security, as a part of notes to the aforesaid financial results pursuant to Regulation 54(2) of the Listing Regulations;
- v. Disclosures of security cover pursuant to Regulation 54(3) of the Listing Regulations in **Annexure A**;
- vi. Statement pursuant to Regulations 52(7) of the Listing Regulations i.e. statement indicating the utilization of the issue proceeds of non-convertible debt securities issued by the Company during the quarter ended September 30, 2023, and a statement pursuant to Regulation 52(7A) of the Listing Regulations i.e. statement confirming no-material deviation in the use of proceeds of the issue of non-convertible debt securities of the Company during the quarter ended September 30, 2023 in **Annexure B**; and

The said unaudited financial results have also been uploaded on the website of the Company i.e. [www.avanse.com](http://www.avanse.com) and will also be published in a newspaper, in the format prescribed by the SEBI within the prescribed time limit.

The Board Meeting commenced at 2:00 PM and concluded at 4:45 PM.

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**

*Encl.: as above*

Avanse Financial Services Ltd.  
Registered & Corporate Office:  
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ASPIRE WITHOUT BOUNDARIES

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone 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 standalone financial results of Avanse Financial Services Limited (the "**Company**") for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 (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



**per Shrawan Jalan**  
Partner

Membership No.: 102102  
UDIN: 23102102BGXJOA1545  
Place: Mumbai  
Date: November 8, 2023



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
<b>1</b>	<b>Revenue from operations</b>						88,687.90
(a)	Interest income	34,855.39	30,118.80	20,354.64	64,974.19	36,455.21	2,297.41
(b)	Income on derecognition of financial instrument	2,470.39	635.90	593.74	3,106.29	1,434.98	7,313.93
(c)	Fees and commission income	7,077.66	3,156.31	1,999.74	10,233.97	3,024.52	660.32
(d)	Net gain on fair value changes	301.04	325.84	115.15	626.88	206.46	98,959.56
	<b>Total revenue from operations</b>	<b>44,704.48</b>	<b>34,236.85</b>	<b>23,063.27</b>	<b>78,941.33</b>	<b>41,121.17</b>	<b>63.21</b>
	Other income	29.28	23.04	12.12	52.32	22.48	99,022.77
	<b>Total income</b>	<b>44,733.76</b>	<b>34,259.89</b>	<b>23,075.39</b>	<b>78,993.65</b>	<b>41,143.65</b>	
<b>2</b>	<b>Expenses</b>						53,984.27
(a)	Finance costs	20,660.64	17,956.89	12,532.87	38,617.53	21,989.72	4,658.91
(b)	Impairment on financial instruments (Expected credit loss)	2,497.36	1,524.06	916.97	4,021.42	1,659.79	9,572.60
(c)	Employee benefits expense	3,207.20	3,086.25	2,196.80	6,293.45	4,245.88	1,330.08
(d)	Depreciation and amortisation	420.30	407.78	276.60	828.08	600.84	8,343.05
(e)	Other expenses	4,762.16	2,947.99	1,803.68	7,710.15	3,315.92	77,888.91
	<b>Total expenses</b>	<b>31,547.66</b>	<b>25,922.97</b>	<b>17,726.92</b>	<b>57,470.63</b>	<b>31,812.15</b>	
		<b>13,186.10</b>	<b>8,336.92</b>	<b>5,348.47</b>	<b>21,523.02</b>	<b>9,331.50</b>	<b>21,133.86</b>
<b>3</b>	<b>Profit before tax (1-2)</b>						
<b>4</b>	<b>Tax expense</b>						5,727.94
(a)	Current tax	3,109.93	2,478.83	1,321.57	5,588.76	2,330.71	(367.53)
(b)	Deferred tax	159.58	(364.69)	38.47	(205.11)	39.60	5,360.41
	<b>Total tax expenses</b>	<b>3,269.51</b>	<b>2,114.14</b>	<b>1,360.04</b>	<b>5,383.65</b>	<b>2,370.31</b>	
<b>5</b>	<b>Net profit after tax for the period/year (3-4)</b>	<b>9,916.59</b>	<b>6,222.78</b>	<b>3,988.43</b>	<b>16,139.37</b>	<b>6,961.19</b>	<b>15,773.45</b>
<b>6</b>	<b>Other comprehensive income</b>						23.77
(A)	Items that will not be reclassified to profit or loss	15.19	(50.95)	8.55	(35.76)	37.97	(5.98)
(i)	Remeasurement gains/(losses) on defined benefit plans	(3.82)	12.82	(2.16)	9.00	(9.56)	17.79
(ii)	Income tax on above	11.37	(38.13)	6.39	(26.76)	28.41	
	Subtotal (A)						284.12
(B)	Items that will be reclassified to profit or loss	259.71	(280.78)	365.42	(21.07)	397.65	(71.51)
(i)	Changes in cash flow hedge reserve	(65.37)	70.67	(91.97)	5.30	(100.08)	212.61
(ii)	Income tax on above	194.34	(210.11)	273.45	(15.77)	297.57	
	Subtotal (B)						
	<b>Total other comprehensive income (A+B)</b>	<b>205.71</b>	<b>(248.24)</b>	<b>279.84</b>	<b>(42.53)</b>	<b>325.98</b>	<b>230.40</b>
<b>7</b>	<b>Total comprehensive Income (5+6)</b>	<b>10,122.30</b>	<b>5,974.54</b>	<b>4,268.27</b>	<b>16,096.84</b>	<b>7,287.17</b>	<b>16,003.85</b>
<b>8</b>	<b>Earnings per equity share (not annualised for the quarters)</b>						18.06
(a)	Basic EPS (in Rs.)	8.89	5.73	4.83	14.67	8.43	18.06
(b)	Diluted EPS (in Rs.)	8.70	5.59	4.73	14.35	8.34	18.06
(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>						3.32
1.	Debt Equity ratio	3.87	3.35	6.37	3.87	6.37	
2.	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	
3.	Capital redemption reserve	-	-	-	-	-	
4.	Debenture redemption reserve	-	-	-	-	-	
5.	Net worth*	2,47,706.56	2,37,782.75	1,05,818.51	2,47,706.56	1,05,818.51	2,11,625.73
6.	Total debt to total assets (%)	77.10%	73.37%	82.55%	77.10%	82.55%	73.29%
7.	Net profit margin (%)**	22.18%	18.18%	17.29%	20.44%	16.93%	15.94%
8.	Sector specific equivalent ratios						0.56%
(a)	Gross Stage 3 (%)	0.43%	0.63%	0.79%	0.43%	0.79%	0.31%
(b)	Net Stage 3 (%)	0.11%	0.19%	0.31%	0.11%	0.31%	0.17%

\* Networth is equal to paid up equity share capital plus other equity less deferred tax assets less intangible assets

\*\* 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.

The Company is not required to create debenture redemption reserve in terms of the Companies (Share Capital and Debenture) Rules, 2014 read with the Companies (Share Capital and Debenture) Amendments Rules, 2019.



## Notes:

- 3 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).
- 4 The above standalone financial results for the quarter and half year ended September 30, 2023 along with comparative period, which have been subjected to limited review by the Statutory Auditors of the Company, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company on November 08, 2023 at their respective meetings.
- 5 The standalone 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 standalone 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/DDHS\_Div/P/CIR/2022/000000103 dated 29 July 2022. The standalone financial statements used to prepare the standalone financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 6 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.
- 7 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 1.03 times of the principal outstanding and interest accrued thereon as on September 30, 2023.
- 8 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.
- (a) Details of transfer through assignment (including co-lending) in respect of loans not in default during the half year ended September 30, 2023

Particulars	Transferred
Count of Loan accounts	721
Amount of Loan account (Rs in Lakh)	28,113.10
Retention of beneficial economic interest (MRR)	17.07%
Weighted Average Maturity (Residual Maturity) (in years)	9.69
Weighted Average Holding Period (in years)	1.06
Coverage of tangible security*	100.00%
Rating-wise distribution of rated loans	Unrated

\*The Tangible Security cover is only on the secured pool assigned. Unsecured pool excluded while calculating tangible security cover.

(b) The Company has not acquired any stressed loans during the half year ended September 30, 2023.

- 9 Company had faced a malware incident from October 16, 2023 to October 18, 2023. Upon identifying the incident, the Company engaged an expert firm for incident response management and to further investigate the incident. The Company with the help of such expert took necessary steps towards recovery and remediation of its systems. There are no non-compliance or material impact on financial results on account of the incident.
- 10 During the period ended September 30, 2023, the Nomination and Remuneration Committee of Directors of the Company, has approved the grant of 2,08,132 stock options representing 2,08,132 equity shares of Rs 10 each of the Company to eligible employees.
- 11 On 22 June 2023, the Board of Directors of the Company had approved issue of 4,73,249 equity shares of face value of Rs. 10 each at applicable grant prices to the eligible employees under Employee Stock Option Scheme.
- 12 The Company had 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 and second tranche of allotment of shares was completed on May 24, 2023.
- 13 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.



Notes :

1. STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS ON SEPTEMBER 30, 2023

(Rs. in Lakhs)

Sr. No.	Particulars	As at September 30, 2023	As at March 31, 2023
		Reviewed	Audited
	<b>ASSETS</b>		
(1)	<b>Financial assets</b>		
(a)	Cash and cash equivalents	1,10,537.30	63,959.70
(b)	Bank balance other than (b) above	22,527.57	49,028.78
(c)	Derivative financial instruments	-	1,472.06
(d)	Trade receivables	5,125.14	832.98
(e)	Loans	10,98,383.97	8,37,346.91
(f)	Investments	12,654.52	6,442.69
(g)	Other financial assets	1,980.36	5,976.52
		<b>12,51,208.86</b>	<b>9,65,059.64</b>
(2)	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	2,598.13	1,952.84
(b)	Deferred tax assets (net)	2,548.98	2,250.23
(c)	Property, plant and equipment	2,096.78	1,308.99
(d)	Right of use assets	805.39	348.58
(e)	Intangible assets under development	956.23	464.12
(f)	Other intangible assets	670.72	634.48
(g)	Other non-financial assets	2,313.56	1,203.11
		<b>11,989.79</b>	<b>8,162.35</b>
	<b>Total assets</b>	<b>12,63,198.65</b>	<b>9,73,221.99</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial liabilities</b>		
(a)	<b>Trade payables</b>		
(i)	total outstanding dues of micro and small enterprises	1.93	77.72
(ii)	total outstanding dues of creditors other than micro and small enterprises	8,963.28	5,396.01
(b)	Debt securities	3,47,436.42	2,82,387.50
(c)	Borrowings (other than debt securities)	6,18,661.95	4,30,917.79
(d)	Subordinated liabilities	7,820.00	7,707.35
(e)	Other financial liabilities	26,917.75	30,762.72
	<b>Total financial liabilities</b>	<b>10,09,844.53</b>	<b>7,57,249.09</b>
(2)	<b>Non-financial liabilities</b>		
(a)	Current tax liabilities (net)	-	-
(b)	Provisions	287.34	136.69
(c)	Other non-financial liabilities	1,184.28	861.65
	<b>Total non-financial liabilities</b>	<b>1,471.62</b>	<b>998.34</b>
(3)	<b>EQUITY</b>		
(a)	Equity share capital	11,153.35	10,663.80
(b)	Other equity	2,40,729.15	2,04,310.76
	<b>Total equity</b>	<b>2,51,882.50</b>	<b>2,14,974.56</b>
		<b>12,63,198.65</b>	<b>9,73,221.99</b>



2. STANDALONE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(Rs. in Lakhs)

		For the period ended September 30, 2023	For the period ended September 30, 2022
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	21,523.02	9,331.50
	<b>Adjustment for:</b>		
	Interest income on loans	(63,295.29)	(35,762.59)
	Depreciation and amortisation expenses	828.08	600.84
	Net gain on fair value changes (realised)	(626.88)	(206.46)
	Interest expense on borrowings	35,908.26	19,180.07
	Impairment on financial instruments	2,414.70	589.50
	Interest on fixed deposits	(2,256.12)	(1,008.23)
	Bad debts written off	1,606.72	1,070.29
	ESOP Expenses	308.82	262.64
	Finance cost in Lease Liability	44.51	31.00
	Actuarial (loss) / gain on post retirement benefit plans	(35.76)	37.97
	<b>Operating loss before working capital changes</b>	<b>(3,579.94)</b>	<b>(5,873.47)</b>
	<b>Operational cash flows from interest</b>		
	Interest received on loans	62,076.55	35,076.52
	Interest paid on borrowings	(28,867.71)	(18,053.91)
	<b>Working capital changes</b>		
	<b>Adjustment for:</b>		
	(Increase) in loans	(2,63,839.74)	(2,31,989.70)
	(Increase) / Decrease in other non-financial assets	(1,110.45)	251.29
Decrease / (Increase) in financial assets	3,957.11	(87.90)	
(Increase) in trade receivables	(4,292.16)	(1,154.08)	
(Decrease) / Increase in financial liabilities	(8,110.68)	308.87	
Increase in trade payables	3,491.47	1,288.76	
Increase in non financial liabilities	322.63	208.18	
Increase in Provisions	150.65	10.32	
<b>Cash (used in) operations</b>	<b>(2,39,802.27)</b>	<b>(2,20,015.12)</b>	
Direct taxes paid (net)	(6,234.06)	(2,715.89)	
<b>Net cash (used in) operating activities</b>	<b>(2,46,036.33)</b>	<b>(2,22,731.01)</b>	
<b>B</b>	<b>Cash flow from investing activities</b>		
	Investments in mutual fund units	(4,88,975.55)	(2,04,489.78)
	Sale of mutual fund units	4,89,602.43	2,04,696.23
	Investments in Treasury Bills	(3,500.00)	(500.00)
	Investments in Subsidiary	(2,672.79)	-
	Interest received on bank deposits	2,256.12	1,008.23
	Purchase of property, plant & equipment and intangible assets	(1,959.01)	(751.27)
	Bank deposit not considered as cash and cash equivalents (net)	26,501.21	(86,616.80)
	<b>Net cash (used in) / generated from investment activities</b>	<b>21,252.41</b>	<b>(86,653.39)</b>
	<b>C</b>	<b>Cash flow from financing activities</b>	
Proceeds from issue of equity share (including securities premium)		20,738.15	-
Debt securities & subordinated liabilities issued		1,18,000.00	1,60,100.00
Debt securities & subordinated liabilities repaid		(59,500.00)	(16,000.00)
Borrowings (other than debt securities) availed		2,36,202.80	1,24,663.68
Borrowings (other than debt securities) repaid		(43,843.62)	(27,286.45)
Proceeds from issue of preference shares		-	39,000.00
Payment of lease liabilities		(235.81)	(174.80)
<b>Net cash generated from financing activities</b>		<b>2,71,361.52</b>	<b>2,80,302.44</b>
Net Increase in Cash and cash equivalents		46,577.60	(29,081.97)
Cash and cash equivalents at the beginning of the period		63,959.70	63,048.59
<b>Cash and cash equivalents at the end of the period</b>	<b>1,10,537.30</b>	<b>33,966.63</b>	

Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013



14. 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 as at September 30, 2023 is given below:

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.

**Format B**

(Rs in Lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at end of the previous half-year 31 March 2023 (A)	Of (A) aggregate debt the slipped into NPA during the half-year ended 30 September 2023	Of (A) amount written off during the half year ended 30 September 2023	Of (A) amount paid by the borrowers during the half year ended 30 September 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan - position as at the end of this half year ended 30 September 2023
Personal loans	4,527.17	56.63	46.50	581.76	3,842.29
Corporate persons*	9,514.70	371.35	106.87	1,365.60	7,670.87
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>14,041.87</b>	<b>427.98</b>	<b>153.37</b>	<b>1,947.36</b>	<b>11,513.16</b>

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

15. 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 September 30, 2023 and September 30, 2022 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2023 and September 30, 2022 and the reviewed figures for the quarter ended June 30, 2023 and June 30, 2022 respectively.

For Avanse Financial Services Limited

*Amit Ganda*

Amit Ganda  
Managing Director & CEO  
DIN - 09494847

Place : Mumbai  
Date : November 08, 2023

*AG*



**Annexure A to the Outcome of the Board meeting**

**November 08, 2023**

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

Dear Sir/Madam,

**Sub: Security Cover Declaration under Regulation 54 of Listing Regulations**

Pursuant to the above-referred regulations read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022, as amended from time to time (“**SEBI Circular**”), it is hereby declared that all the secured NCDs 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 NCDs or higher security cover as per the terms of Offer Document/Information Memorandum for the quarter ended September 30, 2023.

Details of Security Cover for the period ended September 30, 2023 is enclosed herewith in the format prescribed under the aforementioned SEBI Circular.

You are requested to take the same on your records.

Thanking You,

**Yours faithfully,**  
**For Avanse Financial Services Limited**

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



Avanse Financial Services Ltd.  
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Statement:

Table 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=(C+D+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	-	-	2,089.28	-	2,096.78	-	-	-	7.50
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use Assets		-	-	-	-	-	-	805.39	-	805.39	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	670.72	-	670.72	-	-	-	-
Intangible Assets under development		-	-	-	-	-	-	956.23	-	956.23	-	-	-	-
Investments		-	-	-	-	-	-	12,654.52	-	12,654.52	-	-	-	-
Loans	Receivables	-	-	Yes	10,06,639.45	-	-	91,744.52	-	10,98,383.97	-	-	10,06,639.45	10,06,639.45
Inventories		-	-	-	-	-	-	5,125.14	-	5,125.14	-	-	-	-
Trade Receivables		-	-	-	-	-	-	1,10,537.30	-	1,10,537.30	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-	-	22,527.57	-	22,527.57	-	-	-	-
Others		-	-	-	-	-	-	9,441.04	-	9,441.04	-	-	-	-
<b>Total</b>		-	-	-	<b>10,06,646.95</b>	-	-	<b>2,56,551.70</b>	-	<b>12,63,198.65</b>	-	-	<b>10,06,646.95</b>	<b>10,06,646.95</b>
<b>LIABILITIES</b>														
				Yes	3,42,157.31					3,42,157.31				
Debt securities to which this certificate pertains														
				Yes	5,95,050.14					5,95,050.14				
Other debt sharing pari-passu charge with above debt														
Other debt														
Subordinated debt								7,820.00		7,820.00				
Borrowings								29,769.49		29,769.49				
Bank														
Debt Securities								7,391.61		7,391.61				
Others								8,965.21		8,965.21				
Trade payables								856.27		856.27				
Lease Liabilities								287.34		287.34				
Provisions								19,018.78		19,018.78				
Others								74,108.70		74,108.70				
<b>Total</b>					<b>9,37,207.46</b>			<b>10,11,316.15</b>		<b>10,11,316.15</b>				
Covered on Book value					<b>1.07</b>									
Covered on Market value						Pari-Passu Security Cover Ratio		<b>1.07</b>						
		Exclusive Security Cover Ratio												

- Notes:
- The Security Cover ratio pertains to only listed secured debt securities.
  - IND-AS adjustment for effective Interest rate on listed debt securities are 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 financial results for the Half year ended September 30, 2023 (net off provision).
  - The amount has been extracted from the financial results for the quarter and half year ended September 30, 2023.
  - Security cover is calculated only on debt for which this certificate is being issued.
  - 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.



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**November 08, 2023**

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

**Sub: Declaration in respect of Regulation 52(7) and 52(7A) of Listing Regulations**

Dear Sir / Madam,

Pursuant to Regulations 52(7) and 52(7A) of the Listing Regulations, we hereby declare that the proceeds of the issue of non-convertible debt securities issued by the Company during the quarter ended September 30, 2023 were used for the purpose(s) stated in their respective offer document and further there is no material deviation in use of proceeds of issue of such non-convertible debt securities from the objects stated in the offer document of the respective issues during the quarter ended September 30, 2023.

In this regard, please find enclosed herewith Statement in the prescribed format, indicating no deviation or variation in the use of proceeds from issue of listed NCDs as **Annexure “B1”**.

Request you to please take the above on record and oblige.

Thanking you,

**Yours faithfully,  
For Avanse Financial Services Limited**

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

**Annexure B1**

**A. Statement of Utilization of issue Proceeds:**

1	2	3	4	5	6	7	8	9	10
Name of the Issuer	ISIN	Mode of fund raising (Public issue/private placement)	Type of Instrument	Date of Raising Funds	Amount Raised (INR in crore)	Funds utilised (INR in crore)	Any Deviation (Yes/No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
Avanse Financial Services Limited	INE087P07345	Private Placement	NCDs	21-Jul-2023	55	55	No	NA	NA
	INE087P07352	Private Placement	NCDs	28-Jul-2023	25	25	No	NA	NA
	INE087P07345	Private Placement	NCDs	07-Aug-2023	100	100	No	NA	NA
	INE087P07360	Private Placement	NCDs	07-Aug-2023	100	100	No	NA	NA
	INE087P07378	Private Placement	NCDs	29-Aug-2023	75	75	No	NA	NA

**B. Statement of Deviation / Variation in use of issue proceeds:**

<b>Name of listed entity</b>	Avanse Financial Services Limited					
<b>Mode of Fund Raising</b>	Private Placement					
<b>Type of Instrument</b>	Non-Convertible Debentures (NCDs)					
<b>Date of Raising Funds</b>	21-Jul-2023	28-Jul-2023	07-Aug-2023	29-Aug-2023		
<b>Amount Raised (in INR)</b>	55	25	200	75		
<b>Report filed for Quarter ended</b>	September 30, 2023					
<b>Is there a Deviation / Variation in use of funds raised?</b>	No					
<b>Whether any approval is required to vary the objects of the issue stated in the prospectus/offer document?</b>	No					
<b>If yes, details of the approval so required?</b>	NA					
<b>Date of approval</b>	NA					
<b>Explanation for the Deviation / Variation</b>	NA					
<b>Comments of the audit committee after review</b>	NA					
<b>Comments of the auditors, if any</b>	NA					
<b>Objects for which funds have been raised and where there has been a deviation, in the following table</b>						
<b>Original Object</b>	<b>Modified Object, if any</b>	<b>Original Allocation</b>	<b>Modified allocation, if any</b>	<b>Funds Utilised</b>	<b>Amount of Deviation/Variation for quarter if any according to applicable object (INR crores and in %)</b>	<b>Remarks</b>
NA						

Deviation could mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

**For Avanse Financial Services Limited**

**Vineet Mahajan**  
**Chief Financial Officer**



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