

Ref. No. AFSL/SECL/2023-24/108

January 31, 2024

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

Dear Sir/Madam,

Sub: Outcome of Board meeting of Avanse Financial Services Limited held on January 30, 2024 and which was reconvened on January 31, 2024

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, January 31, 2024 has, *inter-alia* considered and approved the unaudited financial results for the quarter and nine months ended December 31, 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 nine months ended December 31, 2023;
- 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**;

The said unaudited financial results have also been uploaded on the website of the Company i.e. 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 1.30 PM (IST) on January 30, 2024, which was reconvened at 2.20 PM (IST) on January 31, 2024 and concluded at 6.00 PM (IST) on January 31, 2024.

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:
001 & 002 Fulcrum, A Wing, Ground Floor,
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Andheri (East), Mumbai - 400 099 Maharashtra.

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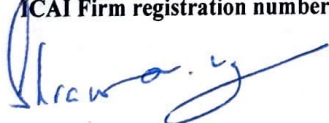
ASPIRE WITHOUT BOUNDARIES

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited 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 December 31, 2023 and year to date from April 01, 2023 to December 31, 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.: 102102UDIN: 24102102BKBZVF2958
Mumbai
January 31, 2024

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
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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs in Lakhs)

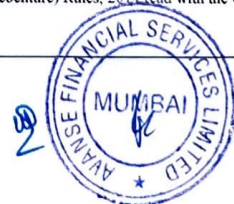
Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Revenue from operations						
(a)	Interest income	38,643.76	34,855.39	24,812.31	1,03,617.95	61,267.52	88,687.90
(b)	Income on derecognition of financial instrument	1,502.68	2,470.39	-	4,608.97	1,434.98	2,297.41
(c)	Fees and commission income	4,050.73	7,077.66	2,128.46	14,284.70	5,152.99	7,313.93
(d)	Net gain on fair value changes	467.04	301.04	208.68	1,093.92	415.14	660.32
	Total revenue from operations	44,664.21	44,704.48	27,149.45	1,23,605.54	68,270.63	98,959.56
	Other income	43.84	29.28	15.77	96.16	38.26	63.21
	Total income	44,708.05	44,733.76	27,165.22	1,23,701.70	68,308.89	99,022.77
2	Expenses						
(a)	Finance costs	24,043.97	20,660.64	15,824.09	62,661.50	37,813.80	53,984.27
(b)	Impairment on financial instruments (Expected credit loss)	1,240.81	2,497.36	1,499.28	5,262.23	3,159.07	4,658.91
(c)	Employee benefits expense	3,170.99	3,207.20	2,386.35	9,464.44	6,632.24	9,572.60
(d)	Depreciation and amortisation	464.83	420.30	359.69	1,292.91	960.52	1,330.08
(e)	Other expenses	3,632.11	4,762.16	2,102.93	11,342.26	5,418.85	8,343.05
	Total expenses	32,552.71	31,547.66	22,172.34	90,023.34	53,984.48	77,888.91
3	Profit before tax (1-2)	12,155.34	13,186.10	4,992.88	33,678.36	14,324.41	21,133.86
4	Tax expense						
(a)	Current tax	3,257.59	3,109.93	1,572.53	8,846.35	3,903.24	5,727.94
(b)	Deferred tax	(121.93)	159.58	(289.87)	(327.04)	(250.27)	(367.53)
	Total tax expenses	3,135.66	3,269.51	1,282.66	8,519.31	3,652.97	5,360.41
5	Net profit after tax for the period/year (3-4)	9,019.68	9,916.59	3,710.22	25,159.05	10,671.44	15,773.45
6	Other comprehensive income						
(A)	Items that will not be reclassified to profit or loss						
(i)	Remeasurement (loss) / gain on post retirement benefit plans	(14.15)	15.19	5.94	(49.91)	43.92	23.77
(ii)	Income tax on above	3.56	(3.82)	(1.50)	12.56	(11.05)	(5.98)
	Subtotal (A)	(10.59)	11.37	4.44	(37.35)	32.87	17.79
(B)	Items that will be reclassified to profit or loss						
(i)	Change in cash flow hedge reserve	(1,507.87)	259.71	55.46	(1,528.94)	453.11	284.12
(ii)	Income tax on above	379.50	(65.37)	(13.96)	384.80	(114.04)	(71.51)
	Subtotal (B)	(1,128.37)	194.34	41.50	(1,144.14)	339.07	212.61
	Total other comprehensive income (A+B)	(1,138.96)	205.71	45.94	(1,181.49)	371.94	230.40
7	Total comprehensive Income (5+6)	7,880.72	10,122.30	3,756.16	23,977.56	11,043.38	16,003.85
8	Earnings per equity share (not annualised for the quarters)						
(a)	Basic EPS (in Rs.)	8.09	8.89	4.49	22.76	12.92	18.06
(b)	Diluted EPS (in Rs.)	7.92	8.70	4.18	22.28	12.31	18.06
(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	3.79	3.87	6.49	3.79	6.49	3.32
2.	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
3.	Capital redemption reserve	-	-	-	-	-	-
4.	Debenture redemption reserve	-	-	-	-	-	-
5.	Net worth*	2,54,808.82	2,47,706.56	1,09,013.52	2,54,808.82	1,09,013.52	2,11,625.73
6.	Total debt to total assets (%)	76.83%	77.10%	83.17%	76.83%	83.17%	73.29%
7.	Net profit margin (%)**	20.19%	22.18%	13.67%	20.35%	15.63%	15.94%
8.	Sector specific equivalent ratios						
(a)	Gross Stage 3 (%)	0.59%	0.43%	0.62%	0.59%	0.62%	0.56%
(b)	Net Stage 3 (%)	0.15%	0.11%	0.24%	0.15%	0.24%	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:

- 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 standalone financial results for the quarter and nine months ended December 31, 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 January 31, 2024 at their respective meetings.
- 3 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/2022/0000000103 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.
- 4 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.
- 5 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 1.02 times of the principal outstanding and interest accrued thereon as on December 31, 2023.
- 6 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 nine months ended December 31, 2023

Particulars	Transferred
Count of Loan accounts	1,627
Amount of Loan account (Rs in Lakh)	49,718.43
Retention of beneficial economic interest (MRR)	18.49%
Weighted Average Maturity (Residual Maturity) (in years)	9.63
Weighted Average Holding Period (in years)	0.97
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 nine months ended December 31, 2023.

- 7 During the period ended December 31, 2023, the Nomination and Remuneration Committee of Directors of the Company, has approved the grant of 3,92,668 stock options representing 3,92,668 equity shares of Rs 10 each of the Company to eligible employees.
- 8 On 22 June 2023, the Board of Directors of the Company had approved issue of 4,73,233 equity shares of face value of Rs. 10 each at applicable grant prices to the eligible employees under Employee Stock Option Scheme.
- 9 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.
- 10 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.
- 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 December 31, 2023 and December 31, 2022 are the balancing figures between reviewed figures in respect of the nine months ended December 31, 2023 and December 31, 2022 and the reviewed figures for the half year ended September 30, 2023 and September 30, 2022 respectively.

Place : Mumbai
Date : January 31, 2024



For Avanse Financial Services Limited

[Signature]

Amit Gainda
Managing Director & CEO
DIN - 09494847



Annexure A to the Outcome of the Board meeting

January 31, 2024

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 the 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 their respective Offer Document / Information Memorandum for the quarter ended December 31, 2023.

Details of security cover for the period ended December 31, 2023 is enclosed herewith in the format prescribed under the 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**

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					Total Value(=K+L+M+N)
		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)	Relating to Column F		
		Book Value	Book Value	Yes/No	Book Value	Book Value									
Assets															
Property, Plant and Equipment	Freehold Land	-	-	Yes	7.50	-	2,136.07	-	2,143.57	-	-	-	-	7.50	7.50
Capital Work-in-Progress		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use Assets		-	-	-	-	-	887.90	-	887.90	-	-	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	718.11	-	718.11	-	-	-	-	-	-
Intangible Assets under development		-	-	-	-	-	1,302.28	-	1,302.28	-	-	-	-	-	-
Investments		-	-	-	-	-	30,940.55	-	30,940.55	-	-	-	-	-	-
Loans	Receivables	-	-	Yes	10,33,829.06	-	1,10,484.03	-	11,44,313.09	-	-	-	-	10,33,829.06	10,33,829.06
Inventories		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	-	-	-	1,588.91	-	1,588.91	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	78,801.30	-	78,801.30	-	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	11,112.21	-	11,112.21	-	-	-	-	-	-
Total		-	-	-	10,33,836.56	-	2,49,062.54	-	12,82,899.10	-	-	-	-	10,33,836.56	10,33,836.56
LIABILITIES															
Debt securities to which this certificate pertains		-	-	Yes	3,08,556.12	-	-	-	3,08,556.12	-	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		-	-	Yes	6,53,858.56	-	-	-	6,53,858.56	-	-	-	-	-	-
Other debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-	-	-	8,008.23	-	8,008.23	-	-	-	-	-	-
Borrowings		-	-	-	-	-	22,835.45	-	22,835.45	-	-	-	-	-	-
Bank		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables		-	-	-	-	-	7,973.68	-	7,973.68	-	-	-	-	-	-
Lease Liabilities		-	-	-	-	-	927.19	-	927.19	-	-	-	-	-	-
Provisions		-	-	-	-	-	316.59	-	316.59	-	-	-	-	-	-
Others		-	-	-	-	-	20,540.12	-	20,540.12	-	-	-	-	-	-
Total		-	-	-	9,62,414.69	-	60,601.25	-	10,23,015.99	-	-	-	-	-	-
Covered on Book value					1.07										
Covered on Market value															
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio		1.07								

- 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 nine months ended December 31, 2023 (net off provision).
 - The amount has been extracted from the financial results for the quarter and nine months ended December 31, 2023.
 - 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.



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