

August 02, 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 August 02, 2022

We wish to inform you that at the meeting of the Board of Directors of the Company held today i.e. August 02, 2022, the Board has approved and took note of the following:

1. The un-audited financial results of the Company for the quarter ended June 30, 2022, in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

We would like to state that the Statutory Auditors of the Company have issued limited review reports with unmodified opinion on the financial statements.

The un-audited financial results along with limited review report along with the disclosures as required under Regulation 52 (4) and 54 of Listing Regulations are enclosed herewith and also uploaded on the website of the Company i.e. [www.avanse.com](http://www.avanse.com). The results will also be published in the newspaper, in the format prescribed by the SEBI.

2. Resignation of Mr. Vikas Tarekar, Company Secretary & Compliance Officer of the Company has tendered from the services of the Company and will, accordingly, cease to be Company Secretary & Compliance Officer and Key Managerial Personnel of the Company with effect from August 02, 2022.
3. Approval to increase the Authorized Share Capital of the Company from existing Rs. 100,00,00,000 (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs.10/-(Rupees Ten only) each to Rs. 2,00,00,00,000 (Rupees Two Hundred Crore only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs.10/-(Rupees Ten only) each and 10,00,00,000 (Ten Crore) preference shares of Rs.10/-(Rupees Ten only) each by creation of additional 10,00,00,000 (Ten Crore) Preference Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company, subject to approval of Shareholders of the Company.
4. Appointment of M/s. HSPN & Associates LLP, Practicing Company Secretaries, as the Secretarial Auditors of the Company for the Financial Year 2022-23.

We request you to take this on record, and to treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

**For Avanse Financial Services Limited**

VINEET  
MAHAJAN

Digitally signed by VINEET  
MAHAJAN  
Date: 2022.08.02 17:01:34 +05'30'

Vineet Mahajan  
Chief Financial Officer



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.

T: +91 22 6859 9999  
F: +91 22 6859 9900  
[www.avanse.com](http://www.avanse.com)

ASPIRE WITHOUT BOUNDARIES

**Independent Auditor's Review Report on the Quarterly 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 June 30, 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.
5. The comparative Ind AS financial information of the Company for the corresponding quarter ended June 30, 2021, included in these Ind AS financial results, were reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on August 05, 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: 2022.08.02 16:54:06 +05'30'

---

**per Shrawan Jalan**  
Partner  
Membership No.: 102102  
UDIN: 22102102A0BJTJ4103  
Place: Mumbai  
Date: August 02, 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 ENDED JUNE 30, 2022**

(Rs. in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Reviewed	Audited	Reviewed	Audited
<b>1</b>	<b>Revenue from operations</b>				
(a)	Interest income	16,087.06	13,623.37	10,450.39	47,515.11
(b)	Net gain on fair value changes	104.82	123.87	106.46	394.43
(c)	Income on derecognition of financial instrument	841.24	-	-	-
(d)	Other operating income	1,024.78	426.25	785.97	2,918.95
	<b>Total revenue from operations</b>	<b>18,057.90</b>	<b>14,173.49</b>	<b>11,342.82</b>	<b>50,828.49</b>
	Other income	10.36	16.86	3.32	25.68
	<b>Total income</b>	<b>18,068.26</b>	<b>14,190.35</b>	<b>11,346.14</b>	<b>50,854.17</b>
<b>2</b>	<b>Expenses</b>				
(a)	Finance costs	9,456.85	8,197.21	5,958.14	27,388.70
(b)	Impairment on financial instruments (Expected credit loss)	742.82	416.41	884.25	1,908.17
(c)	Employee benefits expense	2,049.08	1,736.50	1,531.01	6,647.15
(d)	Depreciation and amortisation	324.24	337.78	328.95	1,287.75
(e)	Other expenses	1,512.24	938.23	1,062.16	5,076.42
	<b>Total expenses</b>	<b>14,085.23</b>	<b>11,626.13</b>	<b>9,764.51</b>	<b>42,308.19</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>3,983.03</b>	<b>2,564.22</b>	<b>1,581.63</b>	<b>8,545.98</b>
<b>4</b>	<b>Tax expense</b>				
(a)	Current tax	1,009.14	876.60	596.01	2,983.45
(b)	Deferred tax	1.13	(192.65)	(196.50)	(758.05)
	<b>Total tax expenses</b>	<b>1,010.27</b>	<b>683.95</b>	<b>399.51</b>	<b>2,225.40</b>
<b>5</b>	<b>Net profit after tax for the period/year (3-4)</b>	<b>2,972.76</b>	<b>1,880.27</b>	<b>1,182.12</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	29.42	3.92	17.10	16.52
	(ii) Income tax on above	(7.40)	(0.99)	(4.30)	(4.16)
	Subtotal (A)	22.02	2.93	12.80	12.36
	(B) Items that will be reclassified to profit or loss				
	(i) Fair value gain / (loss) on derivative financial instrument	32.23	295.16	(578.12)	138.91
	(ii) Income tax on above	(8.11)	(74.29)	145.50	(34.96)
	Subtotal (B)	24.12	220.87	(432.62)	103.95
	<b>Total other comprehensive income (A+B)</b>	<b>46.14</b>	<b>223.80</b>	<b>(419.82)</b>	<b>116.31</b>
<b>7</b>	<b>Total comprehensive Income (5+6)</b>	<b>3,018.90</b>	<b>2,104.07</b>	<b>762.30</b>	<b>6,436.89</b>
<b>8</b>	<b>Earnings per equity share (not annualised for the quarters)</b>				
(a)	Basic EPS (in Rs.)	3.60	2.28	1.43	7.65
(b)	Diluted EPS (in Rs.)	3.60	2.28	1.43	7.65
(c)	Face value per share (in Rs.)	10.00	10.00	10.00	10.00
<b>9</b>	<b>Disclosures under Regulation 52(4)</b>				
1.	Debt Equity ratio	4.14	3.58	2.67	3.58
2.	Outstanding redeemable preference shares (quantity and value)	-	-	-	-
3.	Capital redemption reserve	-	-	-	-
4.	Debenture redemption reserve	-	-	-	-
5.	Net worth*	1,01,482.04	98,247.23	92,585.96	98,247.23
6.	Total debt to total assets (%)	68.55%	66.22%	68.83%	66.22%
7.	Net profit margining (%)**	16.46%	13.27%	10.42%	12.44%
8.	Sector specific equivalent ratios				
(a)	Gross Stage 3 (%)	1.24%	1.29%	1.75%	1.29%
(b)	Net Stage 3 (%)	0.53%	0.53%	0.43%	0.53%
<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 ended June 30, 2022 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 at their respective meetings held on August 02, 2022.
- 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/2021/000000637 dated 5 October 2021.
- 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 1.12 times of the principal outstanding and interest accrued thereon as on June 30, 2022.
- 7 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 in respect of loans not in default during the quarter ended June 30, 2022

Particulars	Transferred
Count or Loan accounts Assigned	60
Amount of Loan account Assigned (Rs in Lakh)	8,525.57
Retention of beneficial economic interest (MRR)	10.00%
Weighted Average Maturity (Residual Maturity) (in years)	7.91
Weighted Average Holding Period (in years)	2.29
Coverage of tangible security coverage	100.00%
Rating-wise distribution of rated loans	Unrated

- (b) The Company has not acquired any stressed loan during the quarter ended June 30, 2022.
- 8 India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.
- 9 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.
- 10 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 quarter ended March 31, 2022 are balancing figures between the audited figures of the full financial year as at March 31, 2022 and the reviewed year to-date figures for the period ended December 31, 2021.

Place : Mumbai  
Date : August 02, 2022

**For Avanse Financial Services Limited**

**Amit  
Gaında**

**Amit Gaında**

Managing Director & Chief Executive Officer  
DIN - 09494847

Digitally signed by  
Amit Gaında  
Date: 2022.08.02  
16:47:36 +05'30'