

November 11, 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 November 10, 2022 and November 11, 2022**

Referring to the intimation made by the Company dated November 03, 2022, we wish to inform you that a meeting of the Board of Directors of the Company was held on November 10, 2022 which was adjourned to November 11, 2022.

We wish to further inform that the Board of Directors of the Company has, at their adjourned meeting held today i.e. November 11, 2022, approved and took note of the following:

1. The un-audited financial results of the Company for the quarter and half year ended September 30, 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.

2. Appointment of Mr. Rajesh Gandhi (having ICSI membership number A-19086) as Company Secretary & Compliance Officer of the Company with effect from November 11, 2022.

We request you to take the above on record.

Thanking you.

Yours faithfully,  
For Avanse Financial Services Limited

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

Date: November 11, 2022

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 September 30, 2022.

Thanking You,  
For Avanse Financial Services Limited

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

*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 September 30, 2022 and year to date from April 01, 2022 to September 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.

**For S.R. BATLIBOI & Co. LLP**  
**Chartered Accountants**  
**ICAI Firm registration number: 301003E/E300005**

---

**per Shrawan Jalan**  
Partner  
Membership No.: 102102  
UDIN: 22102102BCUVVD6564  
Place: Mumbai  
Date: November 11, 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 HALF YEAR ENDED SEPTEMBER 30, 2022**

(Rs. in Lakh)

| Sr. No.   | Particulars  | Quarter ended      |                  |                    | Half year ended    |                    | Year ended       |
|---|--|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
|   |  | September 30, 2022 | June 30, 2022    | September 30, 2021 | September 30, 2022 | September 30, 2021 | March 31, 2022   |
|   |  | Reviewed           | Reviewed         | Reviewed           | Reviewed           | Reviewed           | Audited          |
| <b>1</b>  | <b>Revenue from operations</b>   |                    |                  |                    |                    |                    |                  |
| (a)   | Interest income  | 20,339.31          | 16,087.06        | 12,097.71          | 36,426.37          | 22,548.10          | 47,515.11        |
| (b)   | Net gain on fair value changes   | 130.48             | 104.82           | 69.78              | 235.30             | 176.24             | 394.43           |
| (c)   | Income on derecognition of financial instrument                                    | 593.74             | 841.24           | -                  | 1,434.98           | -                  | -                |
| (d)   | Other operating income   | 1,999.74           | 1,024.78         | 450.75             | 3,024.52           | 1,236.72           | 2,918.95         |
|   | <b>Total revenue from operations</b>   | <b>23,063.27</b>   | <b>18,057.90</b> | <b>12,618.24</b>   | <b>41,121.17</b>   | <b>23,961.06</b>   | <b>50,828.49</b> |
|   | Other income   | 12.12              | 10.36            | 3.30               | 22.48              | 6.62               | 25.68            |
|   | <b>Total income</b>  | <b>23,075.39</b>   | <b>18,068.26</b> | <b>12,621.54</b>   | <b>41,143.65</b>   | <b>23,967.68</b>   | <b>50,854.17</b> |
| <b>2</b>  | <b>Expenses</b>  |                    |                  |                    |                    |                    |                  |
| (a)   | Finance costs  | 12,532.87          | 9,456.85         | 6,089.53           | 21,989.72          | 12,047.67          | 27,388.70        |
| (b)   | Impairment on financial instruments (Expected credit loss)                         | 916.97             | 742.82           | 445.70             | 1,659.79           | 1,329.95           | 1,908.17         |
| (c)   | Employee benefits expense  | 2,196.80           | 2,049.08         | 1,773.27           | 4,245.88           | 3,304.28           | 6,647.15         |
| (d)   | Depreciation and amortisation  | 276.60             | 324.24           | 314.69             | 600.84             | 643.64             | 1,287.75         |
| (e)   | Other expenses   | 1,803.68           | 1,512.24         | 1,385.83           | 3,315.92           | 2,447.99           | 5,076.42         |
|   | <b>Total expenses</b>  | <b>17,726.92</b>   | <b>14,085.23</b> | <b>10,009.02</b>   | <b>31,812.15</b>   | <b>19,773.53</b>   | <b>42,308.19</b> |
| <b>3</b>  | <b>Profit before tax (1-2)</b>   | <b>5,348.47</b>    | <b>3,983.03</b>  | <b>2,612.52</b>    | <b>9,331.50</b>    | <b>4,194.15</b>    | <b>8,545.98</b>  |
| <b>4</b>  | <b>Tax expense</b>   |                    |                  |                    |                    |                    |                  |
| (a)   | Current tax  | 1,321.57           | 1,009.14         | 767.58             | 2,330.71           | 1,363.59           | 2,983.45         |
| (b)   | Deferred tax   | 38.47              | 1.13             | (107.00)           | 39.60              | (303.50)           | (758.05)         |
|   | <b>Total tax expenses</b>  | <b>1,360.04</b>    | <b>1,010.27</b>  | <b>660.58</b>      | <b>2,370.31</b>    | <b>1,060.09</b>    | <b>2,225.40</b>  |
| <b>5</b>  | <b>Net profit after tax for the period/year (3-4)</b>                              | <b>3,988.43</b>    | <b>2,972.76</b>  | <b>1,951.94</b>    | <b>6,961.19</b>    | <b>3,134.06</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                           | 8.55               | 29.42            | 4.98               | 37.97              | 22.08              | 16.52            |
| (ii)  | Income tax on above  | (2.16)             | (7.40)           | (1.25)             | (9.56)             | (5.56)             | (4.16)           |
|   | Subtotal (A)   | 6.39               | 22.02            | 3.73               | 28.41              | 16.52              | 12.36            |
| (B)   | Items that will be reclassified to profit or loss                                  |                    |                  |                    |                    |                    |                  |
| (i)   | Fair value gain / (loss) on derivative financial instrument                        | 365.42             | 32.23            | 214.96             | 397.65             | (363.16)           | 138.91           |
| (ii)  | Income tax on above  | (91.97)            | (8.11)           | (54.10)            | (100.08)           | 91.40              | (34.96)          |
|   | Subtotal (B)   | 273.45             | 24.12            | 160.86             | 297.57             | (271.76)           | 103.95           |
|   | <b>Total other comprehensive income (A+B)</b>                                      | <b>279.84</b>      | <b>46.14</b>     | <b>164.59</b>      | <b>325.98</b>      | <b>(255.24)</b>    | <b>116.31</b>    |
| <b>7</b>  | <b>Total comprehensive Income (5+6)</b>  | <b>4,268.27</b>    | <b>3,018.90</b>  | <b>2,116.53</b>    | <b>7,287.17</b>    | <b>2,878.82</b>    | <b>6,436.89</b>  |
| <b>8</b>  | <b>Earnings per equity share (not annualised for the quarters &amp; half year)</b> |                    |                  |                    |                    |                    |                  |
| (a)   | Basic EPS (in Rs.)   | 4.83               | 3.60             | 2.36               | 8.43               | 3.79               | 7.65             |
| (b)   | Diluted EPS (in Rs.)   | 4.73               | 3.60             | 2.36               | 8.34               | 3.79               | 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 (refer note no 8)  | 5.96               | 4.14             | 2.97               | 5.96               | 2.97               | 3.58             |
| 2.  | Outstanding redeemable preference shares (quantity and value)                      | -                  | -                | -                  | -                  | -                  | -                |
| 3.  | Capital redemption reserve   | -                  | -                | -                  | -                  | -                  | -                |
| 4.  | Debenture redemption reserve   | -                  | -                | -                  | -                  | -                  | -                |
| 5.  | Net worth*   | 1,05,818.51        | 1,01,482.04      | 94,704.84          | 1,05,818.51        | 94,704.84          | 98,247.23        |
| 6.  | Total debt to total assets (%)   | 77.15%             | 68.55%           | 71.03%             | 77.15%             | 71.03%             | 66.22%           |
| 7.  | Net profit margin (%)**  | 17.29%             | 16.46%           | 15.47%             | 16.93%             | 13.08%             | 12.44%           |
| 8.  | Sector specific equivalent ratios  |                    |                  |                    |                    |                    |                  |
| (a)   | Gross Stage 3 (%)  | 0.79%              | 1.24%            | 1.50%              | 0.79%              | 1.50%              | 1.29%            |
| (b)   | Net Stage 3 (%)  | 0.31%              | 0.53%            | 0.44%              | 0.31%              | 0.44%              | 0.53%            |
| <p>* Network 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. STATEMENT OF ASSETS AND LIABILITIES AS ON SEPTEMBER 30, 2022

(Rs. in Lakh)

| Sr. No. | Particulars  | As at September 30, 2022<br>Reviewed | As at March 31, 2022<br>Audited |
|---------|--|--------------------------------------|---------------------------------|
|         | <b>ASSETS</b>  |                                      |                                 |
| (1)     | <b>Financial assets</b>  |                                      |                                 |
| (a)     | Derivative financial instruments   | 1,545.49                             | 350.99                          |
| (b)     | Cash and cash equivalents  | 1,20,067.63                          | 63,048.59                       |
| (c)     | Bank balance other than (b) above  | 3,210.39                             | 2,694.59                        |
| (d)     | Loans  | 7,02,614.62                          | 4,71,598.64                     |
| (e)     | Investments  | 1,755.69                             | 1,273.50                        |
| (d)     | Trade receivables  | 1,423.25                             | 269.19                          |
| (g)     | Other financial assets   | 445.16                               | 339.44                          |
|         |  | <b>8,31,062.23</b>                   | <b>5,39,574.94</b>              |
| (2)     | <b>Non-financial assets</b>  |                                      |                                 |
| (a)     | Current tax assets (net)   | 568.23                               | 276.78                          |
| (b)     | Deferred tax assets (net)  | 1,764.98                             | 1,914.22                        |
| (c)     | Property, plant and equipment  | 924.42                               | 662.98                          |
| (d)     | Other intangible assets  | 644.36                               | 775.66                          |
| (e)     | Intangible assets under development  | 265.12                               | 107.97                          |
| (f)     | Right of use assets  | 489.10                               | 487.78                          |
| (g)     | Other non-financial assets   | 1,243.66                             | 1,494.96                        |
|         |  | <b>5,899.87</b>                      | <b>5,720.35</b>                 |
|         | <b>Total assets</b>  | <b>8,36,962.10</b>                   | <b>5,45,295.29</b>              |
|         | <b>LIABILITIES AND EQUITY</b>  |                                      |                                 |
|         | <b>LIABILITIES</b>   |                                      |                                 |
| (1)     | <b>Financial liabilities</b>   |                                      |                                 |
| (a)     | Derivative financial instruments   | -                                    | -                               |
| (b)     | <b>Trade payables</b>  |                                      |                                 |
| (i)     | total outstanding dues of micro and small enterprises                      | 31.89                                | 37.70                           |
| (ii)    | total outstanding dues of creditors other than micro and small enterprises | 4,673.40                             | 3,378.85                        |
| (c)     | Debt securities  | 3,06,150.97                          | 1,23,224.54                     |
| (d)     | Borrowings (other than debt securities)                                    | 3,39,594.85                          | 2,37,870.90                     |
| (e)     | Other financial liabilities  | 77,137.73                            | 78,989.63                       |
|         | <b>Total financial liabilities</b>   | <b>7,27,588.84</b>                   | <b>4,43,501.62</b>              |
| (2)     | <b>Non-financial liabilities</b>   |                                      |                                 |
| (a)     | Current tax liabilities (net)  | 98.67                                | 192.38                          |
| (b)     | Provisions   | 84.93                                | 74.62                           |
| (c)     | Other non-financial liabilities  | 768.41                               | 560.25                          |
|         | <b>Total non-financial liabilities</b>                                     | <b>952.01</b>                        | <b>827.25</b>                   |
| (3)     | <b>EQUITY</b>  |                                      |                                 |
| (a)     | Equity share capital   | 8,259.19                             | 8,259.19                        |
| (b)     | Other equity   | 1,00,162.06                          | 92,707.23                       |
|         | <b>Total equity</b>  | <b>1,08,421.25</b>                   | <b>1,00,966.42</b>              |
|         | <b>Total liabilities and equity</b>  | <b>8,36,962.10</b>                   | <b>5,45,295.29</b>              |

2. STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2022

(Rs. in Lakh)

|   | Particulars  | For the period ended<br>September 30, 2022 | For the period ended<br>September 30, 2021 |
|---|--|--|--|
| <b>A</b>  | <b>Cash flow from operating activities</b>                     |  |  |
|   | Profit before tax  | 9,331.50                                   | 4,194.15                                   |
|   | <b>Adjustment for:</b>   |  |  |
|   | Interest income on loans                                       | (35,762.59)                                | (21,067.48)                                |
|   | Depreciation and amortisation expenses                         | 600.84                                     | 643.64                                     |
|   | Net gain on fair value changes (realised)                      | (206.46)                                   | (176.24)                                   |
|   | Interest expense on borrowings                                 | 19,180.07                                  | 11,133.13                                  |
|   | Provision for impairment on financial instruments              | 589.50                                     | 1,090.22                                   |
|   | Interest on fixed deposits                                     | (1,008.23)                                 | (747.63)                                   |
|   | Baddebts written off   | 1,070.29                                   | 239.74                                     |
|   | ESOP Expenses  | 262.64                                     | 218.37                                     |
|   | Finance cost in Lease Liability                                | 31.00                                      | 48.08                                      |
|   | Actuarial loss on post retirement benefit plans                | 37.97                                      | 22.08                                      |
|   | Loss on sale of fixed asset                                    | -  | -  |
|   | <b>Operating loss before working capital changes</b>           | <b>(5,873.47)</b>                          | <b>(4,401.95)</b>                          |
|   | <b>Operational cash flows from interest</b>                    |  |  |
|   | Interest received on loans                                     | 35,076.52                                  | 20,729.74                                  |
|   | Interest paid on borrowings                                    | (18,053.91)                                | (11,926.72)                                |
|   | <b>Working capital changes</b>                                 |  |  |
|   | Adjustment for:  |  |  |
| (Increase) in loans                                       | (2,31,989.70)  | (66,928.71)                                |  |
| Decrease / (Increase) in Other non-financial assets       | 251.29   | (615.32)                                   |  |
| (Increase) / Decrease in financial assets                 | (87.90)  | 101.90                                     |  |
| (Increase) in trade receivables                           | (1,154.06)   | (92.08)                                    |  |
| (Decrease) in financial liabilities                       | (3,433.52)   | (237.93)                                   |  |
| Increase in trade payables                                | 1,288.76   | 849.60                                     |  |
| Increase in non financial liabilities                     | 208.16   | 16.13                                      |  |
| Increase / (Decrease) in Provisions                       | 10.32  | (2.43)                                     |  |
| <b>Cash (used in) operations</b>                          | <b>(2,23,757.51)</b>   | <b>(62,507.76)</b>                         |  |
| Direct taxes paid (net)                                   | (2,715.87)   | (1,096.93)                                 |  |
| <b>Net cash used in operating activities</b>              | <b>(2,26,473.38)</b>   | <b>(63,604.69)</b>                         |  |
| <b>B</b>  | <b>Cash flow from investing activities</b>                     |  |  |
|   | Investments in mutual fund units                               | (2,04,489.78)                              | (90,995.45)                                |
|   | Sale of mutual fund units                                      | 2,04,696.23                                | 85,672.96                                  |
|   | Investments in T-Bill  | (500.00)                                   | -  |
|   | Interest received on bank deposits                             | 1,008.23                                   | 761.18                                     |
|   | Purchase of property, plant & equipment and intangible assets  | (751.26)                                   | (497.47)                                   |
|   | Sale of property, plant & equipment                            | -  | -  |
|   | Bank deposit not considered as cash and cash equivalents (net) | (515.80)                                   | -  |
| <b>Net cash used in investment activities</b>             | <b>(552.38)</b>  | <b>(5,058.78)</b>                          |  |
| <b>C</b>  | <b>Cash flow from financing activities</b>                     |  |  |
|   | Proceeds from long-term borrowings                             | 2,66,763.67                                | 91,920.62                                  |
|   | Repayment of long-term borrowings                              | (22,044.07)                                | (43,876.91)                                |
|   | Proceeds from issue of preference shares                       | 39,000.00                                  | -  |
|   | Proceeds from short-term borrowings (net)                      | 500.00                                     | 7,496.64                                   |
|   | Finance cost in Lease Liability                                | (174.80)                                   | (184.57)                                   |
|   | <b>Net cash generated from financing activities</b>            | <b>2,84,044.80</b>                         | <b>55,355.78</b>                           |
| Net Increase / (Decrease) in Cash and cash equivalents    | 57,019.04  | (13,307.70)                                |  |
| Cash and cash equivalents at the beginning of the year    | 63,048.59  | 42,076.28                                  |  |
| <b>Cash and cash equivalents at the end of the period</b> | <b>1,20,067.63</b>   | <b>28,768.60</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

**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 financial results for the quarter and half year ended September 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 November 11, 2022.
- 5 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/DDHS\_Div1/P/CIR/2022/0000000103 dated 29 July 2022. These financial results have been prepared in the format prescribed under the notified schedule III of the Companies Act, 2013 for Non-Banking Financial Companies issued by Ministry of Corporate Affairs ("MCA") on 11 October 2018, as amended, and on the basis of Ind AS that are applicable to the Company based on the MCA Notification GSR 111(E) and GSR 365(E) dated 16 February 2015 and 31 March 2016 respectively
- 6 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.
- 7 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.
- 8 During the half year ended September 30, 2022, the Nomination and Remuneration Committee of Directors of the Company, has approved the grant of 6,70,766 stock options representing 6,70,766 equity shares of Rs 10 each of the Company to eligible employees.
- 9 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")
- 10 The Company during the half year ended September 2022 raised Rs 39,000 lakhs by issuance of Compulsorily Convertible Preference Shares (CCPS) through right issues.
- 11 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 half year ended September 30, 2022

| Particulars  | Transferred |
|--|-------------|
| Count of Loan accounts Assigned                          | 157         |
| Amount of Loan account Assigned (Rs in Lakh)             | 14,070.34   |
| Retention of beneficial economic interest (MRR)          | 10.00%      |
| Weighted Average Maturity (Residual Maturity) (in years) | 7.83        |
| Weighted Average Holding Period (in years)               | 2.14        |
| 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 half year ended September 30, 2022.

(c) Details of loans not in default acquired during the half year ended September 30, 2022

| Particulars   | Acquired |
|---|----------|
| Count of Loan accounts acquired   | 31       |
| Aggregate consideration paid (Rs in Lakh)   | 325.50   |
| Aggregate principal outstanding of loans acquired on the date of acquisition (Rs in Lakh) | 325.50   |
| Weighted average residual tenure of loans acquired (in years)                             | 3.14     |

- 12 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.

13. 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, 2022 is given below :

(Rs in lakhs)

| Type of borrower   | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous Half-year end 31st March 2022 (A) | Of (A), aggregate debt that slipped into NPA during the half-year ended 30 September 2022 | Of (A), amount written off during the half-year ended 30 September 2022 | Of (A) amount paid by the borrowers during the half-year ended 30 September 2022 | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the half-year ended 30 September 2022 |
|--------------------|--|---|---|--|---|
| Personal loans     | 5,696.38   | 39.85   | -   | 150.94   | 5,545.44  |
| Corporate persons* |  |   |   |  |   |
| Of which, MSMEs    | 11,439.45  | 367.09  | -   | 863.15   | 10,576.30   |
| Others             | -  | -   | -   | -  | -   |
| <b>Total</b>       | <b>17,135.83</b>   | <b>406.94</b>   | <b>-</b>  | <b>1,014.09</b>  | <b>16,121.74</b>  |

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

14. 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 30 September 2022 and 30 September 2021 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2022 and 30 September 2021 and the reviewed figures for the quarter ended 30 June 2022 and 30 June 2021 respectively.

**For Avanse Financial Services Limited**

**Amit Ganda**  
Managing Director & CEO  
DIN - 09494847

Place : Mumbai  
Date : November 11, 2022



**Independent Auditor's Report on Security Cover and book value of assets as at September 30, 2022 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated May 19, 2022 for submission to Catalyst Trusteeship Limited (the 'Debenture Trustees')**

To,  
The Board of Directors  
Avanse Financial Services Limited  
001 & 002 Fulcrum, A Wing,  
Ground Floor, Sahar Road,  
Next to Hyatt Regency,  
Andheri (East),  
Mumbai - 400098.

1. This Report is issued in accordance with the terms of the master engagement agreement and service scope letter dated September 22, 2021 with Avanse Financial Services Limited (hereinafter the "Company").
2. We S.R. Batliboi & Co. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Security Cover as per the terms of Information Memorandum / Debenture Trust Deed, and book value of assets' for the secured listed non-convertible debt securities as at September 30, 2022 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended September 30, 2022 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and SEBI Circular"), and has been initialed by us for identification purpose only.

This Report is required by the Company for the purpose of submission with the Debenture trustees (hereinafter the "Debenture Trustee(s)") of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its secured listed non-convertible debt securities ('Debentures') The Company has entered into an agreement with the respective Debenture Trustee(s) in respect of such Debentures.

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and SEBI Circular including maintenance of security cover as per the terms of offer document/Information Memorandum and/or Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is also responsible for providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in the Debenture Trust Deed dated September 30, 2022 entered into between the Company and the Debenture Trustees ('Trust Deeds').

**Auditor's Responsibility**

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
  - (a) Company has maintained Security cover as per the terms of the information memorandum / Debenture Trust deed; and
  - (b) Book values of assets as included in the Statement are in agreement with the books of account underlying the unaudited standalone financial results of the Company as at September 30, 2022.
6. We have performed a limited review of the unaudited standalone financial results of the Company for the half year ended September 30, 2022, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated November 11, 2022. Our review of these financial results was conducted in accordance with the 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 ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
  - a) Obtained and read the Debenture Trust Deeds and Information Memorandum and noted the asset security cover required to be maintained by the Company.
  - b) Obtained the Board approved standalone financial results of the Company for the period ended September 30, 2022.
  - c) Traced and agreed the principal amount and the interest thereon of the secured listed non-convertible debt security outstanding as on September 30, 2022 to the Board approved unaudited standalone financial results of the Company and the underlying books of account maintained by the Company as on September 30, 2022.
  - d) Obtained and read the list of security cover in respect of secured listed non-convertible debt security outstanding as per the Statement. Traced the value of assets from the Statement to the books of accounts and records of the Company underlying the Board approved unaudited financial results as on September 30, 2022.

- e) Obtained the list of security created in the register of charges maintained by the Company and 'Form No. CHG-9' filed with Ministry of Corporate Affairs ('MCA'). Traced the value of charge created against Assets to the Security Cover in the attached Statement.
- f) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security.
- g) Examined and verified the arithmetical accuracy of the computation of Security Cover in the accompanying Statement.
- h) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain security as per Trust Deed/ Information Memorandum.
- i) Traced the book value of assets from the books of accounts of the company underlying the Board approved unaudited standalone financial results as at September 30, 2022.
- j) Performed necessary inquiries with the Management and obtained necessary representations.

#### **Conclusion**

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the:
- a) The Company has not maintained asset cover as per the terms of the Trust Deeds/Information Memorandum; and
  - b) Book values of assets as included in the Statement are not in agreement with the books of account underlying the unaudited standalone financial results of the Company as at September 30, 2022.

#### **Restriction on Use**

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

**For S.R. Batliboi & CO. LLP**

**Chartered Accountants**

**ICAI Firm Registration Number: 301003E/E300005**

**per Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 22102102BCUYCE1064

Place of Signature: Mumbai

Date: November 11, 2022

Statement of security cover

(Rs. in Lakhs)

| 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  | 12.45  | -  | -                              | 911.97  | -              | 924.42  | -  | -   | 12.45  | 12.45                 |
| Capital Work-in-Progress                             |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Right of use Assets                                  |  | -  | -                  | -  | -  | -  | -                              | 489.10  | -              | 489.10  | -  | -   | -  | -                     |
| Goodwill   |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Intangible Assets                                    |  | -  | -                  | -  | -  | -  | -                              | 644.36  | -              | 644.36  | -  | -   | -  | -                     |
| Intangible Assets under development                  |  | -  | -                  | -  | -  | -  | -                              | 265.12  | -              | 265.12  | -  | -   | -  | -                     |
| Investments  |  | -  | -                  | -  | -  | -  | -                              | 1,755.69  | -              | 1,755.69  | -  | -   | -  | -                     |
| Loans  | Receivables  | -  | -                  | Yes  | 6,51,971.01  | -  | -                              | 50,643.61   | -              | 7,02,614.62   | -  | -   | 6,51,971.01  | 6,51,971.01           |
| Inventories  |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Trade Receivables                                    |  | -  | -                  | -  | -  | -  | -                              | 1,423.25  | -              | 1,423.25  | -  | -   | -  | -                     |
| Cash and Cash Equivalents                            |  | -  | -                  | -  | -  | -  | -                              | 1,20,067.63   | -              | 1,20,067.63   | -  | -   | -  | -                     |
| Bank Balances other than Cash and Cash Equivalents   |  | -  | -                  | -  | -  | -  | -                              | 3,210.39  | -              | 3,210.39  | -  | -   | -  | -                     |
| Others   |  | -  | -                  | -  | -  | -  | -                              | 5,567.54  | -              | 5,567.54  | -  | -   | -  | -                     |
| <b>Total</b>   |  |  |                    |  | <b>6,51,983.46</b>   |  |                                | <b>1,84,978.65</b>  |                | <b>8,36,962.11</b>                                      |  |   | <b>6,51,983.46</b>   | <b>6,51,983.46</b>    |
| <b>LIABILITIES</b>                                   |  |  |                    |  |  |  |                                |   |                |   |  |   |  |                       |
| Debt securities to which this certificate pertains   |  | -  | -                  | Yes  | 2,56,103.06  | -  | -                              | -   | -              | 2,56,103.06   | -  | -   | -  | -                     |
| Other debt sharing pari-passu charge with above debt |  | -  | -                  | Yes  | 3,41,712.46  | -  | -                              | -   | -              | 3,41,712.46   | -  | -   | -  | -                     |
| Other debt   |  | -  | -                  | -  | -  | -  | -                              | 51,751.64   | -              | 51,751.64   | -  | -   | -  | -                     |
| Subordinated debt                                    |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Borrowings   |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Bank   |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Debt Securities                                      |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Others   |  | -  | -                  | -  | -  | -  | -                              | -   | -              | -   | -  | -   | -  | -                     |
| Trade payables                                       |  | -  | -                  | -  | -  | -  | -                              | 4,705.30  | -              | 4,705.30  | -  | -   | -  | -                     |
| Lease Liabilities                                    |  | -  | -                  | -  | -  | -  | -                              | 560.82  | -              | 560.82  | -  | -   | -  | -                     |
| Provisions   |  | -  | -                  | -  | -  | -  | -                              | 84.93   | -              | 84.93   | -  | -   | -  | -                     |
| Others   |  | -  | -                  | -  | -  | -  | -                              | 73,622.66   | -              | 73,622.66   | -  | -   | -  | -                     |
| <b>Total</b>   |  |  |                    |  | <b>5,97,815.52</b>   |  |                                | <b>1,30,725.35</b>  |                | <b>7,28,540.88</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  |                |   |  |   |  |                       |

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.

For Avanse Financial Services Limited

Vineet Mahajan  
Chief Financial Officer  
Place: Mumbai  
Date: Nov 11, 2022



Avanse Financial Services Ltd.  
Registered & Corporate Office:  
001 & 002 Floors, A Wing, Ground Floor,  
Sahar Road, Next to Hiranagar,  
Andheri (East), Mumbai- 400 099 Maharashtra  
www.avanse.com

T: +91 22 6859 9999  
F: +91 22 6859 9900

ASPIRE WITHOUT BOUNDARIES