

Ref. No. AFSL/SECL/2024-25/069

August 12, 2024

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

Dear Sir/Madam,

**Sub: Outcome of the meeting of the Board of Directors of Avanse Financial Services Limited (“the Company”) held on August 12, 2024**

Pursuant to the applicable provisions of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) read with the applicable Master Directions, Circulars, Guidelines, as may be issued by the SEBI from time to time, we wish to inform that the Board of Directors of the Company (“the Board”) at their meeting held today i.e. Monday, August 12, 2024 has, *inter-alia* considered and approved unaudited standalone financial results of the Company for the quarter ended June 30, 2024 in terms of Regulation 52 of the Listing Regulations, as reviewed and recommended by the Audit Committee and also took note of the limited review report thereon submitted by the Statutory Auditors of the Company, M/s Walker Chandiook & Co. LLP, Chartered Accountants.

Please find enclosed herewith the following:

- i. Unaudited standalone financial results of the Company for the quarter ended June 30, 2024 along with limited review report thereon;
- ii. Disclosure of ratios and prescribed line items pursuant to Regulation 52(4) of the Listing Regulations;
- iii. Disclosure as to the extent and nature of security created and maintained by the Company, with respect to its secured, listed, non-convertible debt securities, as a part of notes to the aforesaid standalone financial results pursuant to Regulation 54(2) of the Listing Regulations;
- iv. 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](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.

Further, the Company is proposing to make a public issue of its equity shares and has filed its draft red herring prospectus dated July 31, 2024 with the SEBI and the same is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), the Company at [www.avanse.com](http://www.avanse.com), its book running lead managers at their respective websites at [www.kotak.com](http://www.kotak.com), [www.avendus.com](http://www.avendus.com), [www.jpmorgan.com](http://www.jpmorgan.com), [www.nomura.com](http://www.nomura.com), [www.nuvama.com](http://www.nuvama.com), and [www.sbicaps.com](http://www.sbicaps.com) and also on the websites of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the BSE Limited at [www.bseindia.com](http://www.bseindia.com).

The Board Meeting commenced at 2:30 p.m. and concluded at 6:30 p.m.

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*

**Walker ChandioK & Co LLP**

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**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of Avanse Financial Services Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Avanse Financial Services Limited**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Avanse Financial Services Limited** ('the NBFC') for the quarter ended **30 June 2024**, being submitted by the NBFC pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the NBFC's management and approved by the NBFC's Board of Directors, has 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'), the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time, applicable to NBFCs ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 52 of the Listing Regulations. 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. 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 the Standards on Auditing specified under section 143(10) of the Act, 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 Ind AS 34, prescribed under section 133 of the Act, the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.



**Avanse Financial Services Limited**  
**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of**  
**Avanse Financial Services Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations**  
**and Disclosure Requirements) Regulations, 2015 (as amended)**

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5. The review of standalone unaudited quarterly financial results for the period ended 30 June 2023 and audit of standalone financial results for the year ended 31 March 2024 included in the Statement were carried out and reported by S. R. Batliboi & Co. LLP, who have expressed unmodified conclusion vide their review report dated 02 August 2023 and unmodified opinion vide their audit report dated 30 April 2024, respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No:001076N/N500013



**Manish Gujral**  
Partner  
Membership No:105117

**UDIN:24105117BKDARG4784**

Place: Mumbai  
Date: 12 August 2024



**Avanse Financial Services Limited**

CIN : U67120MH1992PLC068060

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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024**

Sr. No.	Particulars	Quarter ended			(Rs. in Lakhs)
		June 30, 2024	March 31, 2024	June 30, 2023	Year ended March 31, 2024
		Unaudited	Audited (Refer note 3)	Unaudited	Audited
<b>1</b>	<b>Revenue from operations</b>				
(a)	Interest income	43,308.48	40,565.69	30,157.43	1,44,293.04
(b)	Fee and commission income	4,759.79	4,254.36	3,117.68	18,429.66
(c)	Net gain on fair value changes	216.32	231.03	325.84	1,324.94
(d)	Net gain on derecognition of financial instrument on amortised cost basis	1,464.63	3,959.66	635.90	8,568.63
	<b>Total revenue from operations</b>	<b>49,749.22</b>	<b>49,010.74</b>	<b>34,236.85</b>	<b>1,72,616.27</b>
	Other income	165.29	114.19	23.04	210.34
	<b>Total income</b>	<b>49,914.51</b>	<b>49,124.93</b>	<b>34,259.89</b>	<b>1,72,826.61</b>
<b>2</b>	<b>Expenses</b>				
(a)	Finance costs	25,491.27	24,902.29	17,956.89	87,563.79
(b)	Impairment on financial instruments	900.63	2,696.99	1,524.06	7,959.22
(c)	Employee benefits expense	3,746.04	4,653.44	3,068.43	14,046.71
(d)	Depreciation and amortisation	719.26	755.27	407.78	2,048.18
(e)	Other expenses	4,701.79	3,832.77	2,965.81	15,246.20
	<b>Total expenses</b>	<b>35,558.99</b>	<b>36,840.76</b>	<b>25,922.97</b>	<b>1,26,864.10</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>14,355.52</b>	<b>12,284.17</b>	<b>8,336.92</b>	<b>45,962.51</b>
<b>4</b>	<b>Tax expense</b>				
(a)	Current tax	3,742.47	1,127.32	2,478.83	9,973.66
(b)	Deferred tax	(103.54)	2,058.92	(364.69)	1,731.88
	<b>Total tax expenses</b>	<b>3,638.93</b>	<b>3,186.24</b>	<b>2,114.14</b>	<b>11,705.54</b>
<b>5</b>	<b>Net profit after tax for the period/year (3-4)</b>	<b>10,716.59</b>	<b>9,097.93</b>	<b>6,222.78</b>	<b>34,256.97</b>
<b>6</b>	<b>Other comprehensive income</b>				
	(A) Items that will not be reclassified to profit or loss				
	(i) Remeasurement (loss) / gain on post retirement benefit plans	(27.67)	31.89	(50.95)	(18.02)
	(ii) Income tax on above	6.96	(8.03)	12.82	4.54
	Subtotal (A)	(20.71)	23.86	(38.13)	(13.48)
	(B) Items that will be reclassified to profit or loss				
	(i) Change in cash flow hedge reserve	63.19	202.71	(280.78)	(1,326.23)
	(ii) Income tax on above	(15.90)	(51.02)	70.67	333.78
	Subtotal (B)	47.29	151.69	(210.11)	(992.45)
	<b>Total other comprehensive income (A+B)</b>	<b>26.58</b>	<b>175.55</b>	<b>(248.24)</b>	<b>(1,005.93)</b>
<b>7</b>	<b>Total comprehensive Income (5+6)</b>	<b>10,743.17</b>	<b>9,273.48</b>	<b>5,974.54</b>	<b>33,251.04</b>
<b>8</b>	<b>Earnings per equity share (not annualised for the quarters)</b>				
(a)	Basic EPS (in Rs.) (refer note 10)	4.26	4.20	2.87	15.41
(b)	Diluted EPS (in Rs.) (refer note 10)	4.15	4.09	2.81	15.05
(c)	Face value per share (in Rs.) (refer note 10)	5.00	5.00	5.00	5.00





Notes:

- 1 The Company is a Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India ('RBI'), classified as a NBFC - Middle Layer as per the Master Direction - Reserve Bank of India (Non-Banking Financial Company Scale Based Regulation) Directions, 2023.
- 2 The above standalone financial results for the quarter ended June 30, 2024 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company on August 12, 2024 at their respective meetings and which have been subjected to limited review by the Statutory Auditors of the Company. The financial results for the period ended upto March 31, 2024 were subjected to limited review / audit by the previous statutory auditors.
- 3 The figures for the quarter ended March 31, 2024 represent balancing figures between the audited figures for the year ended March 31, 2024 and year to date figures upto December 31, 2023 which were subjected to limited review by the previous statutory auditors.
- 4 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 July 29, 2022.
- 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 segments.
- 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 100% and above as required under Debenture Trust Deed as on June 30, 2024.
- 7 The Company has filed a Draft Red Herring Prospectus (DRHP) dated June 20, 2024 with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with its Initial Public Offering (IPO) of equity shares of face value of Rs 5 each comprising of a fresh issue of Equity Shares aggregating up to Rs 1,000 crore and an offer for sale of Equity Shares aggregating up to Rs 2,500 crore by existing shareholders, subject to receipt of regulatory approvals, market conditions and other considerations. Pursuant to letter dated July 25, 2024 from SEBI, the Company has re-filed the DRHP dated July 31, 2024 with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited.
- 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 in respect of loans not in default during the quarter ended June 30, 2024

Particulars	Transferred
Count of Loan accounts	754
Amount of Loan transferred through assignment (Rs in Lakhs)	15,546.85
Aggregate consideration received (Rs in Lakhs)	15,546.85
Retention of beneficial economic interest (MRR)	10.00%
Weighted Average Maturity (Residual Maturity) (in months)	90
Weighted Average Holding Period (in months)	37
Coverage of tangible security	Nil
Rating-wise distribution of rated loans	Un-rated

(b) The Company has not acquired or sold any stressed loans during the quarter ended June 30, 2024.

- 9 Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the quarter ended June 30, 2024 is attached in Annexure A.
- 10 The Board of Directors of the Company in its meeting held on April 4, 2024 and Shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from Rs. 10 per share to Rs. 5 per share. Accordingly, the earnings per share for the earlier periods have been recalculated based on revised number of shares.
- 11 The Company has adopted "Avanse Financial Services Limited Employee Stock Option Plan, 2024" pursuant to the resolution passed by the Board of Directors on May 14, 2024 and a special resolution passed by the Shareholders of the Company at their Extra Ordinary General Meeting held on June 20, 2024.
- 12 During the quarter ended June 30, 2024, the Nomination, Remuneration and Compensation Committee of Directors of the Company, had approved the grant of 1,95,428 stock options to eligible employees.
- 13 Figures for the previous year/periods have been regrouped and/or reclassified wherever considered necessary in conformity with the current period's classification / grouping.



Place : Mumbai  
Date : August 12, 2024

For Avanse Financial Services Limited

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



**Avanse Financial Services Limited**

CIN : U67120MH1992PLC068060

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**Annexure A**

Disclosure in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the quarter ended June 30, 2024.

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
1	Debt Equity ratio	2.68	2.76	3.79	2.76
2	Outstanding redeemable preference shares (quantity and value)	-	-	-	-
3	Capital redemption reserve	-	-	-	-
4	Debenture redemption reserve#	-	-	-	-
5	Net worth* (Rs in Lakhs)	3,74,811.95	3,64,451.76	2,37,782.75	3,64,451.76
6	Total debt to total assets (%)	70.01%	70.66%	70.83%	70.66%
7	Net profit margin (%)**	21.54%	18.56%	18.18%	19.85%
8	Sector specific equivalent ratios				
	(a) Gross Non-Performing Assets (GNPA) (%)	0.35%	0.43%	0.63%	0.43%
	(b) Net Non-Performing Assets (NNPA) (%)	0.11%	0.13%	0.19%	0.13%

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

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

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.



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

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 Offer Document / Information Memorandum for the quarter ended June 30, 2024.

Details of Security Cover for the period ended June 30, 2024 is enclosed herewith in the format prescribed under the aforementioned SEBI Circular.

You are requested to take the same on your records.

Thanking You,  
**For Avanse Financial Services Limited**

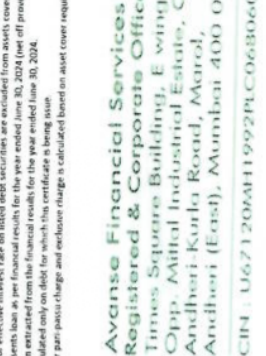
**Rajesh Gandhi**  
**Company Secretary**  
**ICSI Membership No.: A-19086**



Table 1 - Statement of security cover as on June 30, 2024

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 is being issued	Debt for which this certificate is being issued	Other Secured Debt	Debt for which this certificate is 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 7)	Assets not offered as security	Elimination on (amount in negative)	(Total C to H)	Market Value for Assets (Exclusive basis)	Carrying / Book value of assets where market value is not ascertainable or (For Eg. Bank Balance, DDBA 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, DDBA market value is not applicable)	Related to only those items covered by this Certificate	(Rs in lakhs)
<b>Assets</b>		Book Value	Yes/No	Book Value	Book Value	Book Value									
Property, Plant and Equipment		-	Yes	-	-	-	3,774.05	-	-	-	7.50	-	-	-	7.50
Capital Work-in-Progress		-	-	-	-	-	4,121.19	-	-	-	-	-	-	-	-
Right of use Assets		-	-	-	-	-	2,225.83	-	-	-	-	-	-	-	-
Goodwill		-	-	-	-	-	32.72	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	16,551.53	-	-	-	-	-	-	-	-
Investments		-	Yes	-	-	-	3,07,166.14	-	-	-	-	-	-	-	-
Inventories		-	-	-	-	-	2,462.58	-	-	-	-	-	-	-	-
Trade Receivables		-	-	-	-	-	38,720.05	-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	295.37	-	-	-	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	-	-	-	4,848.95	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	3,800,198.41	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	10,68,992.50	-	-	-	-	-	-	-	2,664.03
<b>LIABILITIES</b>		-	-	-	-	-	3,800,198.41	-	-	-	-	-	-	-	10,68,995.00
Debt securities to which this certificate pertains		-	Yes	-	2,88,394.44	-	-	-	-	-	-	-	-	-	-
Other debt (including pari passu charge with above debt)		-	Yes	-	7,04,299.84	-	-	-	-	-	-	-	-	-	-
Other debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank		-	-	-	-	-	11,784.09	-	-	-	-	-	-	-	-
Debt Securities		-	-	-	-	-	5,167.25	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	13,292.31	-	-	-	-	-	-	-	-
Trade payables		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities		-	-	-	-	-	9,215.61	-	-	-	-	-	-	-	-
Provisions		-	-	-	-	-	4,238.54	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	465.32	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	36,376.63	-	-	-	-	-	-	-	9,215.61
Covered on Book value		-	-	-	-	-	67,246.04	-	-	-	-	-	-	-	16,378.63
Covered on Market value		-	-	-	-	-	10,73,232.63	-	-	-	-	-	-	-	10,71,656.53
		Exclude Security Cover Ratio			Pari Passu Security Cover Ratio										
					1.00										

**Notes:**  
1. The Security Cover ratio pertains to only listed secured debt securities.  
2. IFO-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.  
3. Loans amount represents loan as per financial results for the year ended June 30, 2024 (net off provisions).  
4. The amount has been estimated from the financial results for the year ended June 30, 2024.  
5. Security cover is calculated only on debt for which this certificate is being issued.  
6. Assets considered for pari passu charge and exclude charge is calculated based on asset cover requirement as per respective placement memorandum/term sheets for securities.



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CIN : U67120MH1992PLC068060 - Formerly known as Avanse Financial Services Pvt. Ltd. & Abhorudha Holdings Private Limited

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**ASPIRE WITHOUT BOUNDARIES**