



A Financial Inclusion Platform for the next 100 Mn
Households

ANNUAL REPORT

AVANTI FINANCE PRIVATE LIMITED

2021-2022

AVANTI FINANCE PRIVATE LIMITED

Regd. Off.: No. 456, Ground 1st & 2nd Floor, 4th Block, BDA Layout, Koramangala Extension, Koramangala,
Bengaluru – 560034 Karnataka, India

Tel: +91-80-41689310 | Email: info@avantifinance.in | Web: www.avantifinance.in

CIN: U65929KA2016PTC138355



NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting (the 'Meeting' or 'AGM') of the shareholders of Avanti Finance Private Limited will be held at a shorter notice via video conference on **Friday, September 30, 2022 at 04.15 p.m.** IST to transact the following business.

To,

The Members of the Company;

Board of Directors of the Company;

Statutory Auditors of the Company.

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto

"RESOLVED THAT the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto be and hereby considered and adopted."

SPECIAL BUSINESS

2. Approve appointment of Mr. Subramaniam Somasundaram as Independent Director of the Company

*To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION:***

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and in line with the Articles of Association of the Company, Mr. Subramaniam Somasundaram (DIN: 01494407) who was appointed as an Additional Non-executive Independent Director of the Company w.e.f July 13, 2022 and who has submitted declaration that he meets the criteria of independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 3 (three) consecutive years with effect from the original date of appointment i.e. July 13, 2022.

RESOLVED FURTHER THAT each of the Directors and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed

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necessary to give effect to the aforesaid resolution and make necessary filings and disclosures to regulatory authorities as may be required under the applicable provisions of the Act."

3. Approve appointment of Ms. Sukanya Kripalu as Independent Director of the Company

*To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:*

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and in line with the Articles of Association of the Company, Ms. Sukanya Kripalu (DIN: 06994202) who was appointed as an Additional Non-executive Independent Director of the Company w.e.f, July 13, 2022. and who has submitted declaration that she meets the criteria of independence as provided in section 149(6) of the Act, be and are hereby appointed as an Independent Director of the for a period of 3 (three) consecutive years with effect from the original date of appointment i. e July 13, 2022.

RESOLVED FURTHER THAT each of the Directors and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution and make necessary filings and disclosures to regulatory authorities as may be required under the applicable provisions of the Act."

4. Regularization of Additional Director, Mr. Rahul Gupta (DIN: 09247626) as Director of the Company

*To consider and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:*

"RESOLVED THAT Mr. Rahul Gupta (holding Director Identification Number: 09247626), who was appointed as an Additional Director who holds office upto the date of this Annual General Meeting in terms of the Companies Act, 2013 (the 'Act') and who is eligible for appointment and has consented to act as Director of the Company be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT each of the directors of the Company and / or the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution, including without limitation signing, issuing and delivering a certified true copy of the foregoing resolution to any concerned persons/authority and make necessary filings and disclosures to regulatory authorities as may be required under the applicable provisions of the Act."

For Avanti Finance Private Limited
Sd/-

Name: Ms. Urvashi P. Bahirsheth

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Designation: Company Secretary

Membership No.: ACS 37475

Address: A-402, Suri Rajendra Tower,
R. K. Singh Marg, Near Andheri (East), Mumbai 400069

Registered Office:

No. 456, Ground 1st & 2nd Floor, 4th Block,
BDA Layout, Koramangala Extension,
Kormangala, Bengaluru 560034

Date: September 20, 2022

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2

Approve appointment of Mr. Subramaniam Somasundaram as Independent Director of the Company

Pursuant to the Shareholders' Agreement dated March 16, 2021 entered by and amongst the Company, Avanti Microfinance Private Limited, Oikocredit, Ecumenical Development Cooperative Society U.A. , Bill & Melinda Gates Foundation, Nomura Capital (India) Private Limited, Dr. K. R. Shroff Foundation, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani, NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited and Mr. Venkataramanan Ramachandran, Mr. Subramaniam Somasundaram was appointed as Independent Director of the Company at the meeting of the Board held on July 13, 2022. This appointment requires the shareholders' approval by way of Ordinary Resolution.

The additional information is required under section 102 of the Companies Act, 2013 are as follows:

a. The nature of concern or interest, financial or otherwise, if any:

- I. Every director and the manager, if any – None of the directors have any concern or interest, financial or otherwise except Mr. Subramaniam Somasundaram himself;
- II. Every other key managerial personnel and - None of the key managerial personnel have any concern or interest, financial or otherwise
- III. Relatives of the persons mentioned in sub-clauses (i) and (ii) above - None of the relatives of the persons mentioned in sub-clauses (i) and (ii) above has any concern or interest, financial or otherwise.

b. Any other information and facts that may enable members to understand the meaning, scope and implication of the items of business to take decision thereon – None

The Board recommends the Resolution at Item No. 2 of the Notice for your approval by way of ordinary resolution. None of the directors of the Company is concerned or interested in the said resolution.

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Item No. 3**Approve appointment of Ms. Sukanya Kripalu as Independent Director of the Company**

Pursuant to the Shareholders' Agreement dated March 16, 2021 entered by and amongst the Company, Avanti Microfinance Private Limited, Oikocredit, Ecumenical Development Cooperative Society U.A. , Bill & Melinda Gates Foundation, Nomura Capital (India) Private Limited, Dr. K. R. Shroff Foundation, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani, NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited and Mr. Venkataramanan Ramachandran, Ms. Sukanya Kripalu was appointed as Independent Director of the Company at the meeting of the Board held on July 13, 2022. This appointment requires the shareholders' approval by way of Ordinary Resolution.

The additional information is required under section 102 of the Companies Act, 2013 are as follows:

c. The nature of concern or interest, financial or otherwise, if any:

- I. Every director and the manager, if any – None of the directors have any concern or interest, financial or otherwise except Ms. Sukanya Kripalu herself;
- II. Every other key managerial personnel and - None of the key managerial personnel have any concern or interest, financial or otherwise
- III. Relatives of the persons mentioned in sub-clauses (i) and (ii) above - None of the relatives of the persons mentioned in sub-clauses (i) and (ii) above has any concern or interest, financial or otherwise.

d. Any other information and facts that may enable members to understand the meaning, scope and implication of the items of business to take decision thereon – None

The Board recommends the Resolution at Item No. 3 of the Notice for your approval by way of ordinary resolution. None of the directors of the Company is concerned or interested in the said resolution.

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Item No. 4**Regularization of Additional Director, Mr. Rahul Gupta (DIN: 09247626) as Director of the Company**

Mr. Rahul Gupta was appointed as an Additional Director with effect from July 13, 2022, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, Mr. Rahul Gupta holds office up to the date of ensuing Annual General Meeting of the Company.

This ratification requires the shareholders' approval by way of Ordinary Resolution.

The additional information is required under section 102 of the Companies Act, 2013 are as follows:

e. The nature of concern or interest, financial or otherwise, if any:

- I. Every director and the manager, if any – None of the directors have any concern or interest, financial or otherwise except Mr. Rahul Gupta himself;
- II. Every other key managerial personnel and - None of the key managerial personnel have any concern or interest, financial or otherwise
- III. Relatives of the persons mentioned in sub-clauses (i) and (ii) above - None of the relatives of the persons mentioned in sub-clauses (i) and (ii) above has any concern or interest, financial or otherwise.

f. Any other information and facts that may enable members to understand the meaning, scope and implication of the items of business to take decision thereon – None

The Board recommends the Resolution at Item No. 4 of the Notice for your approval by way of ordinary resolution. None of the directors of the Company is concerned or interested in the said resolution.

For Avanti Finance Private Limited
Sd/-

Name: Ms. Urvashi P. Bahirsheth
Designation: Company Secretary
Membership No.: ACS 37475
Address: A-402, Suri Rajendra Tower,
R. K. Singh Marg, Near Andheri (East),
Mumbai 400069

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Registered Office:

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Date: September 20, 2022

Place: Mumbai

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Notes:

1. **THE ANNUAL GENERAL MEETING OF MEMBERS OF THE COMPANY SHALL BE CONVENED THROUGH VIDEO CONFERENCING UNDER THE GUIDELINES ISSUED BY MINISTRY OF CORPORATE AFFAIRS PURSUANT TO THE GENERAL CIRCULAR NO. 20/2020 DATED 05.05.2020, GENERAL CIRCULAR NO. 02/2021 DATED 13.01.2021, GENERAL CIRCULAR NO. 19/2021 DATED 08.12.2021 AND 21/2021 DATED 14.12.2021**

2. The Members are requested to follow the below instructions: -

a) Participation:

- i. Pursuant to the general circular issued by Ministry of Corporate Affairs, the physical presence of the Members has been dispensed with and therefore the appointment of Proxy(ies) is not permitted. However, in pursuance of section 112 and 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose voting through remote e-voting or for participation and voting in the meeting. The Corporate Shareholders proposing to participate at the meeting through their representative, may forward the necessary authorization under Section 113 of the Act for such representation to the Company through e-mail to urvashi@avantifinance.in before the commencement of the meeting.
- ii. The Members are requested to use the following link details to join the meeting via video conference: <https://avantifinanceprivatelimited.my.webex.com/meet/pr1583753901>
- iii. For ease of participation of the Members, during the meeting, members may post questions during and also, before the meeting, by writing to urvashi@avantifinance.in.
- iv. On the date of the meeting, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting, may join, using the above link between 04.00 p.m. to 04:30 p.m. Post 04.30 p.m. no person shall be able to join the meeting.
- v. In case any member requires assistance for using the aforementioned link before or during the meeting, you may reach out to the Company Secretary at 9619675725.
- vi. In order to ensure the smooth participation, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting are requested to ensure that the device used for attending the meeting through video conferencing has strong internet signal/ network.

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b) Voting:

- i. In case a poll is demanded, Chairman shall follow the procedure provided in Section 109 of the Companies Act, 2013 and rules made thereunder unless specific provisions are mentioned in the Articles of Association.
- ii. On demand of the poll, the Members may vote by sending an e-mail to the designated e-mail id: urvashi@avantifinance.in stating their assent/ dissent. For convenience during voting, the Members are requested to use the following box and state the symbol or mention the no. of shares held by them in assent/ dissent box.

Example 1: Using symbol ('√')

Item no. of agenda	Assent	Dissent
1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	√	
2. Approve appointment of Mr. Subramaniam Somasundaram as Independent Director of the Company	√	
3. Approve appointment of Ms. Sukanya Kripalu as Independent Director of the Company	√	
4. Regularization of Additional Director, Mr. Rahul Gupta (DIN: 09247626) as Director of the Company	√	

Example 2: Using number of shares held.

Item no. of agenda	Assent	Dissent
1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	100	
2. Approve appointment of Mr. Subramaniam Somasundaram as Independent Director of the Company	100	

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3. Approve appointment of Ms. Sukanya Kripalu as Independent Director of the Company	100	
4. Regularization of Additional Director, Mr. Rahul Gupta (DIN: 09247626) as Director of the Company	100	

c) Other instructions/ information:

- i. **Members are requested to address all communications through their registered e-mail id only.**
 - ii. **Pursuant to General Circular 20/2020 dated 5th May, 2020, the Annual Report of the Company i.e. Financial statements (including Board's report, Auditor's report and other documents required to be attached therewith) are being sent through e-mail only and no separate physical copy of the same shall be dispatched to any member.**
 - iii. This notice is also available on the website of the Company.
 - iv. Incase of any doubts or clarification, the members are requested to contact Ms. Urvashi P. Bahirsheth through e-mail: urvashi@avantifinance.in.
 - v. The documents related to matters set out in the notice can be requested via email by writing to the Company Secretary at urvashi@avantifinance.in on all working days up to and including the date of this Annual General meeting of the Company.
3. Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of is annexed hereto.

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DIRECTORS' REPORT

To
The Members of **AVANTI FINANCE PRIVATE LIMITED**

The Directors are pleased to present the Sixth annual report with the audited financial statements of the Company for the year ended on March 31, 2022.

1. FINANCIAL RESULTS:

Particulars	Standalone		Consolidated
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022
Revenue from Operations	44,79,86,593	9,25,40,407	44,69,91,368
Other Income	46,27,451	27,33,783	49,94,826
Total Income	45,26,14,044	9,52,74,190	45,19,86,194
Total Expenses	74,40,16,601	50,47,16,091	78,26,27,825
Profit/(Loss) before Tax	(29,14,02,557)	(40,94,41,901)	(33,06,41,631)
Provision for Taxation (net)	-	-	-
Profit/(Loss) after Tax	(29,14,02,557)	(40,94,41,901)	(33,06,41,631)

2. STATE OF THE COMPANY'S AFFAIRS / OPERATION REVIEW:

During the year ended March 31, 2022, your Company disbursed total loans amounting to INR 413,01,40,000 which was more than 150% as compared to the previous year. Despite the challenging times, the loan book of the Company increased upto 4 times, amounting to a total of INR 385,37,54,960 (INR 350,03,48,918 of retail loans and INR 35,34,06,042 of loans to institutional borrowers) as on March 31, 2022.

Your Company has earned a total revenue of INR 45,26,14,044/- (previous year INR 9,52,74,190). The Company has incurred net loss after tax amounting to INR 29,14,02,558/-

3. DIVIDEND:

The Board of Directors does not recommend any dividend for the year ended on March 31, 2022.

4. AMOUNT TRANSFERRED TO RESERVES:

The Company has not transferred any amount to the reserves during the year under review.

5. DETAILS RELATING TO DEPOSITS AND UNSECURED LOANS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

During the year under review, your Company has availed unsecured loans amounting to INR 58,00,00,000.

6. CHANGES IN SHARE CAPITAL:

Authorised share capital:

The Authorised Share Capital of the Company was enhanced as follows during the year under review:

Date of extra-ordinary general meeting	Share capital (INR)	Number of shares
September 15, 2021	INR 291,50,00,000	19,75,00,000 divided into (i) 15,75,00,000 equity shares of INR 10/- (ii) 11,50,00,000 Series A compulsorily convertible preference shares of INR 10/- (iii) 1,90,00,000 Series A1 compulsorily convertible preference shares of INR 10/-

Paid-up share capital:

During the year under review, the following allotments were made:

Date of allotment	Name of the shareholder/s	Number of shares allotted
July 30, 2021	Mr. Ratan Naval Tata	89,99,980 equity shares
July 30, 2021	NRJN Family Trust through its trustee	55,16,117 equity shares
July 30, 2021	Mr. Venkataramanan Ramachandran	10 equity shares
April 07, 2021	Oikocredit Ecumenical Development Cooperative Society U.A.	1,24,03,847 Series A compulsorily convertible preference shares
April 07, 2021	Bill & Melinda Gates Foundation	2,10,57,692 Series A compulsorily convertible preference shares

April 07, 2021	Dr. K. R. Shroff Foundation	43,26,923 Series A compulsorily convertible preference shares
September 28, 2021	Oikocredit Ecumenical Development Cooperative Society U.A.	3,05,96,153 Series A compulsorily convertible preference shares
September 28, 2021	Bill & Melinda Gates Foundation	3,33,42,308 Series A compulsorily convertible preference shares
September 28, 2021	Dr. K. R. Shroff Foundation	1,06,73,077 Series A compulsorily convertible preference shares
September 28, 2021	Bill & Melinda Gates Foundation	1,86,00,000 Series A1 compulsorily convertible preference shares

The paid-up share capital of your Company as on March 31, 2022 was INR 280,03,21,930 divided into 14,90,32,193 equity shares of face value of INR 10 each, 11,24,00,000 Series A compulsorily convertible preference shares of face value of INR 10 each and 1,86,00,000 Series A1 compulsorily convertible preference shares of face value of INR 10 each.

7. **DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

i. Report on performance and financial position of the subsidiaries, associates and joint ventures:

The report on performance and financial position of Avanti Microfinance Private Limited in the prescribed format Form AOC-1 is enclosed to this report as Annexure I.

ii. Companies which have become or ceased to be subsidiaries, associates and joint ventures

During the year under review, the Company acquired Avanti Microfinance Private Limited, thereby making it a wholly owned subsidiary of the Company.

The Company does not have joint venture or associate company for the year under review.

8. **PARTICULARS OF THE LOANS, GUARANTEES GIVEN OR INVESTMENT MADE DURING THE YEAR:**

Since the Company is a non-banking financial company registered under Chapter III-B of the Reserve Bank of India Act, 1934, the provision of Section 186 with respect to loan made, any guarantee given or any security provided or any investment made are not applicable to the Company.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions entered during the year were in ordinary course business and at arm's length price. Hence, disclosure in Form AOC-2 is not applicable to the Company.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

11. DIRECTORS, KEY MANAGERIAL PERSONNEL:

During the year under review, Ms. Bindu Ananth (DIN: 02456029) was appointed as director jointly nominated by Oikocredit, Ecumenical Development Cooperative Society U.A. and Bill & Melinda Gates Foundation with effect from September 30, 2021. The Board of Directors of your Company comprises of 4 Directors namely Mr. Ratan Naval Tata, Dr. Vijay Laxman Kelkar, Mr. Nandan Mohan Nilekani and Ms. Bindu Ananth.

During the year under review, there was no change in the key managerial personnel. Ms. Urvashi Bahirsheth is the Company Secretary.

12. MEETING OF BOARD OF DIRECTORS:

During the financial year 2021-22, 11 Board meetings were convened and were held details of which are mentioned below.

Sr. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1.	April 07, 2021	3	3	100
2.	June 29, 2021	3	2	67
3.	July 26, 2021	3	2	67
4.	September 14, 2021	3	2	67
5.	September 28, 2021	3	2	67
6.	September 30, 2021	4	3	75
7.	October 29, 2021	4	2	50
8.	December 10, 2021	4	2	50
9.	January 07, 2022	4	3	75
10.	January 25, 2022	4	2	50
11.	March 10, 2022	4	4	100

Sr. No.	Name of the Director	Board Meetings			Committee Meetings (Taking all the Committee Meetings together of which a Director is a member)			Whether attended last AGM held on(Y/N)
		No. of Meeting Held	No. of Meeting attended	% of attendance	No. of Meeting Held	No. of Meeting attended	% of attendance	
1.	Mr. Ratan Naval Tata	11	2	18	N.A.	N.A.	N.A.	N
2.	Dr. Vijay Laxman Kelkar	11	10	91	N.A.	N.A.	N.A.	Y
3.	Mr. Nandan Mohan Nilekani	11	10	91	N.A.	N.A.	N.A.	N
4.	Ms. Bindu Ananth*	6	5	83	N.A.	N.A.	N.A.	N

* Ms. Bindu was appointed as Director with effect from September 30, 2021.

The 5th Annual General Meeting of the Company was held on November 29, 2021.

13. PARTICULARS OF EMPLOYEES:

During the year under review, your Company had 51 employees. Your Company being a private limited company, the provisions contained in section 196(4) and (5), section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

14. PREVENTION OF SEXUAL HARASSMENT:

The Company has approved and adopted a robust Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company does provide a conducive work environment in terms of anti-sexual harassment for the women employees and has sufficient checks to provide protection against sexual harassment of women at workplace. During the year under review, there was no case filed pursuant to the said Act. As part of the Company's POSH awareness initiative, the Company had partnered with XLPro E-Learning to conduct online training on 'Prevention of Sexual Harassment' followed by a mandatory test to be undertaken by each employee of the Company.

Your Company has an Internal Complaints Committee ('ICC') as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which shall meet at intervals as stipulated by the applicable regulations. The constitution of the ICC is as under:

- i) Ms. Urvashi P. Bahirsheth – Presiding Officer
- ii) Mr. Rahul Gupta – Member
- iii) Mr. Sunil Kumar Tadepalli – Member
- iv) Ms. Shruti Gonsalves – External member (Chief Executive Officer, Sewa Grih Rin Limited)

15. RISK MANAGEMENT POLICY:

Your Company during the year under review had adequate checks and balances for evaluating its standard operating process for initiating the business of NBFC. Also, the Company has a risk management policy approved and adopted by the Board of Directors of the Company to understand the Company's risk profile, enable the Company to monitor risk-reward relationship, assist in anticipating risk in order to take proactive actions and embed a robust risk management process.

16. COMPLIANCE OF SECRETARIAL STANDARDS:

Your Company has proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

17. MAINTENANCE OF COST RECORDS:

The maintenance of cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, is not applicable to your Company.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The provisions related to Corporate Social Responsibility are not applicable to your Company as the Company does not fall under any of the criteria required for applicability of the provisions of CSR as stated in the Companies Act, 2013.

19. DETAILS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to financial statements for the year ended March 31, 2022, which is commensurate with the size, scale and complexity of its operation.

20. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

The Company discovered anomalies in certain channel partners / franchise partners. A total amount worth INR 7.4 crore, has been potentially misappropriated by the channel partners/its franchise partners.

The Company had stopped all future engagements with the said partners/ franchise partners. The Company has also recovered INR 1.5 crore from the said channel partners / franchise partner till March 31, 2022. The Company has provided for sufficient provision for the remaining amount in the current year financial statement. The Company is making all necessary recovery efforts to collect the amount from the partners.

21. RECOMMENDATION FOR APPOINTMENT OF STATUTORY AUDITOR(S) OF THE COMPANY:

We wish to inform that as per the circular issued by Reserve Bank of India ("RBI"), Circular No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, which states that "One audit firm can concurrently take up statutory audit of a maximum of four Commercial Banks [including not more than one PSB or one All India Financial Institution (NABARD, SIDBI, NHB, EXIM Bank) or RBI], eight UCBs and eight NBFCs during a particular year, subject to compliance with required eligibility criteria and other conditions for each Entity

and within overall ceiling prescribed by any other statutes or rules. Based on the said notification, the Company had received resignation letter dated September 27, 2021 from Deloitte Haskins & Sells LLP., informing about their inability to continue as the statutory auditors of the Company.

The management of the Company evaluated many audit firms to fill the vacancy so caused. After in depth critical evaluation, M. P. Chitale & Co. have been appointed as statutory auditors of the Company for a period of 3 years.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GOINGS:

The particulars of Conservation of Energy, Technology absorption and Foreign Exchange earnings and out-goings are enclosed as Annexure II.

23. EXTRACT OF ANNUAL REPORT:

The annual return in form MGT-7, once filed, will be placed on the website of the Company at www.avantifinance.in.

24. 2020 AVANTI EMPLOYEE STOCK OPTION PLAN (Plan)

The necessary disclosures required to be made under Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014 are enclosed as Annexure III.

25. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm and state that:

- a) In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards, have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss of the Company for year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

26. YOUR DIRECTORS STATE THAT NO DISCLOSURE OR REPORTING IS REQUIRED IN RESPECT OF THE FOLLOWING ITEMS AS SOME OF THEM ARE NOT APPLICABLE TO THE COMPANY AS PER THE ACT OR THERE WERE NO TRANSACTIONS ON THESE ITEMS DURING THE YEAR UNDER REVIEW.

1. The provisions related to Key Managerial Personnel do not apply to the Company except for the appointment of Company Secretary of the Company.
2. Annual evaluation of the Board and its committees and policies for remunerating key managerial personnel and other employees.
3. Composition of Audit Committee, Nomination and Remuneration Committee and their policies.
4. Statement on declaration by an Independent Director(s).
5. Establishment of vigil mechanism.
6. Issue of equity shares with differential rights as to dividend, voting or otherwise.
7. Issue of shares (Including sweat equity shares) to employees of the Company under any scheme.
8. Details in respect of frauds reported by auditors under sub-section (12) of Section 143 of the Companies act, 2013
9. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
10. The Company has not provided money for purchase of its own shares by employees or by trustees for the benefit of the employees.
11. Change in the nature of business of the Company.
12. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.
13. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

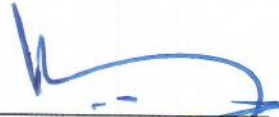
27. ACKNOWLEDGEMENT

The Directors wish to acknowledge with thanks all the stakeholders for their valuable sustained support and encouragement. It is this unity of purpose that breeds success and your Directors look forward to receiving similar support and encouragement from the investors in the years ahead.

**On behalf of Board of Directors
Avanti Finance Private Limited**



**Name of the Director: Nandan Nilekani
Designation: Director
DIN: 00041245
Address: No. 856, 13th Main, 3rd Block,
Koramangala, Bengaluru 560034
Date: July 13, 2022
Place: Bengaluru**



**Name of the Director: Vijay Laxman Kelkar
Designation: Director
DIN: 00011991
Address: Plot no. 421/2, South Main Road,
Koregaon Park, Pune - 411001
Date: July 13, 2022
Place: Pune**

Annexure I to Directors' Report
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

(Information in respect of each subsidiary to be presented with amounts in INR)

Part A Subsidiaries

Particulars	Subsidiary
Sl No.	1
Name of the Subsidiary	Avanti Microfinance Private Limited
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	INR
Share Capital (INR)	Authorised: INR 40,00,00,000 Paid-up: INR 39,51,61,070
Reserves & Surplus (INR)	(11,39,70,592)
Total Assets (INR)	32,18,01,590
Total Liabilities (INR)	4,06,11,112
Investments	0
Turnover(Other Income) (INR)	26,10,422
Profit before taxation (INR)	(3,96,71,273)
Provision for taxation (INR)	0
Profit after taxation (INR)	(3,96,71,273)
Proposed dividend	0
% Shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year. NIL

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- Not applicable

Notes: The following information shall be furnished at the end of the statement:

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

On behalf of Board of Directors
Avanti Finance Private Limited



Name of the Director: Nandan Nilekani
Designation: Director
DIN: 00041245
Address: No. 856, 13th Main, 3rd Block,
Koramangala, Bengaluru 560034
Date: July 13, 2022
Place: Bengaluru



Name of the Director: Vijay Laxman Kelkar
Designation: Director
DIN: 00011991
Address: Plot no. 421/2, South Main Road,
Koregaon Park, Pune - 411001
Date: July 13, 2022
Place: Pune

Annexure II to Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GOINGS:

A. CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy— The business activities of your Company does not require any new major energy consumption.
- (ii) The steps taken by the Company for utilizing alternate sources of energy— Not applicable
- (iii) The capital investment on energy conservation equipment— Not applicable

B. TECHNOLOGY ABSORPTION

The efforts made towards technology absorption— The business of your Company does not require any new technology.

The benefits derived like product improvement, cost reduction, product development or import substitution— Not applicable

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): — Not applicable

Sr. no	Details of Technology imported	Year of import	Fully absorbed Yes/ no	Areas for non- absorption of technology	Reasons
Not applicable					

The expenditure incurred on Research and Development— Not applicable.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Foreign Exchange Earnings and Expenditures were as follows:

Sr. No.	Particulars	For the year ended March 31, 2022 (Amount in INR)
1.	Earnings in Foreign Exchange [Actual Inflow]. This information needs actual inflow and not based on accrual basis.	NIL
2.	Expenditure in Foreign Currency [Actual Outflows] This information needs actual outflow and not based on accrual basis.	15,64,472

On behalf of Board of Directors
Avanti Finance Private Limited




Name of the Director: Nandan Nilekani
Designation: Director
DIN: 00041245
Address: No. 856, 13th Main, 3rd Block,
Koramangala, Bengaluru 560034
Date: July 13, 2022
Place: Bengaluru



Name of the Director: Vijay Laxman Kelkar
Designation: Director
DIN: 00011991
Address: Plot no. 421/2, South Main Road,
Koregaon Park, Pune - 411001
Date: July 13, 2022
Place: Pune

Annexure III to Directors' Report

DETAILS ABOUT 2020 AVANTI EMPLOYEE STOCK OPTION PLAN

Sr. No.	Particulars	Disclosure
a.	Options Granted	35510000
b.	Options Vested	17207190
c.	Options Exercised	Nil
d.	The Total Number Of Shares Arising As A Result Of Exercise Of Option	Nil
e.	Options Lapsed	1892187
f.	The Exercise Price	INR 10
g.	Variation of terms of options	There are pre determined percentages for initial vesting for the employees. Balance options have identical vesting formula.
h.	Money realized by exercise of options	0
i.	total number of options in force	33617813
j.	employee wise details of options granted to	
(i)	key managerial personnel – Ms. Urvashi Bahirsheth, Company Secretary	300,000
(ii)	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Mr. Rahul Gupta Mr. Lalitesh Katragadda Mr. Sunil Kumar Tadepalli Mr. Manish Thakkar
(iii)	identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of gran	Mr. Rahul Gupta Mr. Lalitesh Katragadda Mr. Sunil Kumar Tadepalli Mr. Manish Thakkar

**On behalf of Board of Directors
Avanti Finance Private Limited**



Name of the Director: Nandan Nilekani
Designation: Director
DIN: 00041245
Address: No. 856, 13th Main, 3rd Block,
 Koramangala, Bengaluru 560034
Date: July 13, 2022
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Name of the Director: Vijay Laxman Kelkar
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DIN: 00011991
Address: Plot no. 421/2, South Main Road,
 Koregaon Park, Pune - 411001
Date: July 13, 2022
Place: Pune

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI FINANCE PRIVTE LIMITED ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **Avanti Finance Private Limited** (hereinafter referred to as "the Holding Company"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprises Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group of consolidated profit as at 31st March 2022 and loss, and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act ("the SAs"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.



M. P. Chitale & Co.

Chartered Accountants

Hamam House, Ambalal Doshi Marg, Fort, Mumbai - 400001 • Tel. : 2265 1186 / 2265 3023 /24 • E-mail : office@mpchitale.com

Emphasis of Matter

- a. We draw attention to Note 39 of the Consolidated Financial Statements, as per which the subsidiary company was not in compliance with one criteria for classifying as Micro Finance Company as on 31st March 2021. During the year, the Company took corrective action and is in compliance with applicable guidelines as on 31st March 2022.
- b. We draw attention to note 36 b (ii) of the Consolidated Financial Statements, as per which the subsidiary company has given guarantee of Rs 100,00,00,000 to Debenture Trustee for the debentures issued by its parent company which is much more than Shareholders Funds of the Company as at 31st March, 2022.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, financial performance, and consolidated cash flows of the Company including its subsidiary in accordance with the Accounting Standards and other accounting principles generally accepted in India including Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.



As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated



Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the financial statement of subsidiary whose financial statement reflects total assets of Rs 3218.02 lakhs as at 31st March 2022, total loss of Rs 396.71 lakhs and net cash inflows amounting to Rs 151.76 lakhs for the year ended as on that date as considered in the consolidated financial statements. These financials have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amount and disclosures included in respect of subsidiary and our report in terms of sub-section (3) and (11) of section 143 of the Act, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statement and our report on Other Legal and Regulatory requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors, the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit of the holding company and audit report of the standalone financial statements of the one subsidiary incorporated in India, to the extent applicable, that we report that:



- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 as amended
 - e. On the basis of assertions made in the audit reports of separate financial statements of Holding Company and the one Indian subsidiary and on the basis of written representations received from the directors of the Holding Company as on March 31, 2022, none of the directors of the group is, disqualified as on March 31, 2022, from being appointed as a director of the respective company in terms Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls in conjunction with consolidated financial statements of the group and the operating effectiveness of such, refer to our separate report in "Annexure A"; which is based on the auditor's reports of Holding and subsidiary company.
2. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary:
- a. The Group does not have any pending litigations which would impact its financial position in its Consolidated Financial Statements
 - b. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2022; and
- d. (i) a) The respective Management of the companies included in the Group have represented to us & their auditor that, to the best of their knowledge and belief, as disclosed in the note 37 i (i) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the companies included in the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the companies included in the Group and of its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) b) The respective Management of the companies included in the Group have represented to us and their auditor, that, to the best of their knowledge and belief, as disclosed in the note 37 i.(ii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the companies included in the Group and from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the companies included in the Group and shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (i) & (ii) above, contain any material misstatement.
- e. The Group has neither declared dividend nor paid during the year.



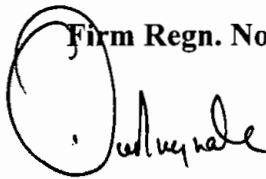
3. Based on the information and explanations provided to us and assertions made in respective audit report of the one subsidiary company, section 197(16) of the act is not applicable to the Holding Company and one subsidiary company.
4. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, with respect to qualifications or adverse remarks in these CARO reports of the respective auditors, to be included in the Auditor's report, according to the information and explanations given to us, and based on the Audit reports issued by us for the Holding Company and the audit reports issued by the auditor of, its one subsidiary Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report the following remarks:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associates/ Joint Venture	Clause Number of the CARO report which is qualified or adverse
1	Avanti Finance Private Limited	U65929KA2016PTC138355	Holding Company	(xi) (a)
2				(xvii)
3.	Avanti MicroFinance Private Limited	U65929KA2016PTC138292	Subsidiary Company	(xvii)
4.				(iii)(b)

For M. P. Chitale & Co.

Chartered Accountants

Firm Regn. No.101851W



Murtuza Vajihi

Partner

Membership No.: 112555

UDIN: 22112555AMTUWQ6187

Place: Mumbai

Date: July 13, 2022

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE
MEMBERS OF AVANTI FINANCE PRIVATE LIMITED OF EVEN DATE)**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL
REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE
COMPANIES ACT, 2013 ("THE ACT")**

In conjunction with our audit of the consolidated financial statements of Avanti Finance Private Limited (hereinafter referred to as "the Holding Company"), and its subsidiary (the holding Company and its Subsidiary together referred to as "Group") for the year ended 31 March 2022, we have audited internal financial controls over financial reporting of the Group which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Group based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of subsidiary company which are companies incorporated in India is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

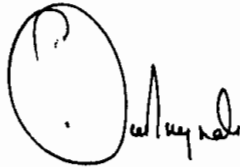
In our opinion, to the best of our information and according to the explanations given to us the Company has, and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph below, the Holding Company, its subsidiary company, which are the companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to financial reporting these Consolidated Financial Statements, in so far as it relates to subsidiary is based on the corresponding reports of the auditors of such company.

Our opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting is not modified in respect of the matters with respect to our reliance on the work done and the reports of other auditors and representation of the board of director and the management.

For M. P. Chitale & Co.
Chartered Accountants
Firm Regn. No.101851W



Murtuza Vajihi
Partner
Membership No.: 112555
UDIN: 22112555AMTUWQ6187
Place: Mumbai
Date: July 13, 2022

Avanti Finance Private Limited

Balance Sheet as at March 31, 2022

	Note	As at March 31, 2022 (Rupees in Lakhs)
I. EQUITY AND LIABILITIES		
(1) SHAREHOLDERS' FUNDS		
(a) Share Capital	3	28,003.22
(b) Reserves and Surplus	4	(13,106.87)
		14,896.35
(2) Share / Debenture Application Money pending Allotment	5	-
(3) NON CURRENT LIABILITIES		
(a) Long term borrowings	6	24,244.54
(b) Long term provisions	7	121.64
(c) Other Long-term liabilities	8	192.66
(4) CURRENT LIABILITIES		
(a) Short term borrowings	9	4,261.58
(b) Trade Payables		
Total outstanding due to Micro and Small Enterprises	10	-
Total outstanding of other than Micro and Small Enterprises	11	326.27
(c) Other Current Liabilities	12	689.68
(d) Short term provisions	13	989.27
Total		45,721.99
II. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Tangible assets		
Property Plant & Equipment	14	50.72
(b) Intangible asset	15	2,583.44
(c) Long-term loans and advances	16	11,483.09
(d) Other non-current assets	17	29.74
(2) CURRENT ASSETS		
(a) Cash and Cash Equivalents	18	2,861.47
(b) Bank balances other than cash and cash equivalents	19	49.65
(c) Short-Term Loans and Advances	20	28,568.07
(d) Other Current Assets	21	95.81
Total		45,721.99

See accompanying notes forming part of the financial statements

1-40

In terms of our report attached

For and on behalf of the Board of Directors

For M. P. Chitale & co.
Chartered Accountants

For Avanti Finance Private Limited

Murtuza Vajih
Partner



Place: Mumbai

Date: July 13, 2022

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



Avanti Finance Private Limited

Statement of Profit and Loss for the year ended March 31, 2022

	Note	For the year ended March 31, 2022 (Rupees in Lakhs)
(I) Revenue from operations		
(a) Interest Income	22	4,025.43
(b) Fees and commission income	23	444.48
Total revenue from operations		4,469.91
(b) Other income	24	49.95
Total Income		4,519.86
(II) EXPENSES		
(a) Employee benefits expenses	25	2,217.08
(b) Finance cost	26	1,614.99
(c) Depreciation/Amortisation [Refer 14 and 15]		44.47
(d) Hosting and Licensing Fee		1,049.49
(e) Partner commission		1,019.01
(f) Provision and Write-off of Loan Assets	27	591.57
(g) Other operating expenses	28	1,289.66
Total		7,826.28
(III) Loss before tax for the year		(3,306.42)
(IV) Tax Expenses		
Current Tax		-
Deferred Tax		-
Tax relating to prior years		-
(V) Loss after tax for the year		(3,306.42)
(VI) Earnings Per Equity Share of Rs. 10/- each		
Basic	35	(2.29)
Diluted	35	(2.29)
See accompanying notes forming part of the financial statements	1-40	

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

M. P. Chitale

Murtuza Vajhi
Partner



Place: Mumbai

Date: July 13, 2022

For and on behalf of the Board of Directors

For Avanti Finance Private Limited

Nandan Mohan Nilekani

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Urvashi P. Bahirsheth
Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



Avanti Finance Private Limited
Cash Flow Statement for the year ended March 31, 2022

Sr No	Particulars	For the year ended March 31, 2022	
		Rupees in Lakhs	Rupees in Lakhs
A	Cash flows from operating activities		
i)	Loss before tax		(3,306.42)
ii)	Adjustments for:		
	Loss on sale of Fixed assets		
	Depreciation/Amortisation	44.47	
	Finance Cost on borrowings	1,614.99	
	Interest Income	(4,020.36)	
	Interest Income on Fixed Deposit	(47.24)	
	Income on Income Tax Refund	(0.75)	
	Provision on Loans and Advances (GST)	153.90	
	Provision on Loans Assets	396.85	
	Write-off of Loans	194.71	
			(1,663.42)
iii)	Operating loss before working capital changes		(4,969.84)
iv)	Adjustments for:		
	(Decrease)/Increase in Short Term Provisions	(1,512.66)	
	Increase in Long Term Provisions	123.69	
	Increase in Trade Payable	160.02	
	Increase in Other Current Liabilities	420.56	
	Increase in Other Non-current Liabilities	77.47	
	(Increase) in Loans and Advances	(29,183.77)	
	(Increase) in Other non current assets	(11.87)	
	(Increase) in Other current assets	(3.61)	
			(29,930.17)
v)	Cash used in operations		(34,900.01)
	Interest Paid		(1,463.50)
	Interest Received		4,047.02
	Income-tax paid		(9.85)
	Net cash used in operating activities		(32,326.34)
B	Cash flows from investing activities		
	Purchase of fixed assets	(65.70)	
	Purchase of shares of Subsidiary	(1,451.61)	
	Intangible asset acquisition	(1,839.15)	
	Investment in Fixed Deposit	(49.65)	
	Interest income on fixed deposit with bank	46.28	
	Net cash flows (used)/ generated from investing activities		(3,359.83)
C	Cash flow from financing activities		
	Loan From Director converted to equity shares		
	Loan from Financial Institutions	19,718.85	
	Application Money Pending Allotment	-	
	Loan From Director/Shareholder (Refer Note 3)	-	
	Loan From Director/Shareholder (Refer Note 3)	-	
	Compulsorily Convertible debentures issued	1,778.85	
	Compulsorily convertible preference share issued	9,321.16	
	Equity Shares issue in Parent Company	1,451.61	
	Issue of share capital	-	
	Repayment of Loan from shareholder	-	
			32,270.47
	Net cash flows generated from financing activities		32,270.47
	Net Increase /(Decrease) in cash and cash equivalents		(3,414.69)
	Cash and cash equivalents at the beginning of the year		6,277.16
	Cash and cash equivalents at the end of the year		2,861.47
	Cash and Cash Equivalents as per Financial Statements		2,861.47

Deposits under lien (included in deposit account)

Cash and Cash equivalents at the end of period comprise of following balance sheet amounts:

(i) Bank balances in Current Accounts	Note 18	1,017.43
(ii) Fixed Deposit Accounts with original maturity less than 3 months	Note 18	1,844.05
	Total	2,861.47

Notes:

1. Previous year figures have been recast / restated wherever necessary.
2. Figures in bracket represent outflow.

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajhi
Partner

Place: Mumbai

Date: July 13, 2022



For and on behalf of the Board of Directors

For Avanti Finance Private Limited

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



Avanti Finance Private Limited

Notes forming part of financial statements

Note 1

Corporate Information

Avanti Finance Private Limited ("the Company") is registered under Companies Act, 2013 as a private Company. The Company has been incorporated on August 1, 2016 to carry on the business as a Finance Company, to provide on lease, leave and license, or hire purchase basis or on any other basis, and to undertake and or arrange or syndicate all types of business relating to financing social sector, consumers, Individuals, Industry and corporates financing for all kinds of plant, equipment, machinery, vehicles and any other moveable and immovable properties.

The company is registered as Non-Banking Finance Company ("NBFC") without accepting public deposits, holding a Certificate of Registration with the Reserve Bank of India ("RBI") from dated 23 June, 2017.

Note 2

Significant Accounting Policies

(a) Principles of consolidation

The consolidated financial statements include accounts of Avanti Finance Private Limited (The Company / AFPL) and its subsidiary. Subsidiary undertakings are those con

- ii The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with the Accounting Standard (AS) 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iii As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- iv The subsidiary companies considered in preparation of consolidated financial statements are

Name of Company	Country of Incorporation	Proportion of Equity Interest	
		31-Mar-22	31-Mar-21
Avanti Microfinance Private Limited	India	100%	0%

- v For the purpose of Consolidated Financial Statements, the results of AFPL and its subsidiary for the year ended 31 March 2022 have been derived from the respective Company's audited financials of the year ended 31st March 2022

(b) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 2013 (the "Act"), as applicable. Further, the Company follows the Reserve Bank of India ("RBI") Directions issued for Non-Banking Financial Companies ("NBFC"). The financial statements have been prepared on accrual basis under the historical cost convention.

(c) Use of Estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(d) Property, plant and Equipment

Tangible fixed assets are recorded at cost less accumulated depreciation and impairment loss, if any. The original cost of fixed assets comprises of purchase consideration and other directly attributable cost of bringing an asset to its working condition for the intended use. All fixed assets costing individually upto INR 25,000 is fully depreciated by the company in the year of its capitalization.

(e) Depreciation

Depreciation on tangible assets has been provided on the Straight Line Method (SLM) as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(f) Impairment of Assets

At the balance sheet date, the Management determines whether a provision should be made for the impairment loss on fixed asset by considering the indications that an impairment loss may have occurred in accordance with the Accounting Standard 28 on 'Impairment of Assets'. Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed asset is made for the difference.

(g) Investments:

Investments are classified into non-current and current investments.

ii) Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

iii) Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.



(h) **Revenue Recognition**

Interest income on loans is recognized on accrual basis except in case of non-performing assets where interest is recognized upon realization as per the RBI guidelines. Repayment of loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed.

Income on Non-performing assets is recognized only when realized and any interest accrued until the asset became a Non-performing asset and remaining overdue is de-recognized in the month in which the loan is classified as Non-Performing.

Loan Documentation and Processing fees are recognised on sanction of loans and when there is no significant uncertainty as to determination and realization. Interest income on fixed deposits is accounted on accrual basis and is recognized on a time proportion basis.

(i) **Receivables under financing activity**

loans are classified as per the RBI guidelines, into performing and non-performing assets. All loans and other credit exposures where the instalments, including interest and other dues are overdue for a period of more than one eighty days are classified as non-performing assets in accordance with the prudential norms prescribed by the RBI. The Company is classifying any non-performing assets as sub-standard and doubtful whose instalments, including interest and other dues are overdue for a period of NPA period 18 month and more than 18 months respectively as stated by RBI guidelines.

The Company maintains general provision for standard assets as per the prudential norms prescribed by the RBI. Additional provisions are made against specific non-performing assets over and above as stated in the RBI guidelines, if in the opinion of management, a higher provision is necessary.

(j) **Employee Benefits**

Defined Contribution Plan:

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employee.

Defined Benefit Plan:

The Company has defined benefit plan namely gratuity for all the employees, the liability for which is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include performance incentives.

(k) **Income Taxes**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

(l) **Provisions and contingencies**

g) **Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(m) **Based on the nature of services provided by the Company and the normal time between providing the services and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.**



(n) **Accounting for leases**

Operating Leases -

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term is classified as operating leases. Operating lease rentals are recognised as an expense on straight-line basis over the lease period in accordance with the AS 19, Leases.

(o) **Accounting for foreign currency transactions**

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of Exchange differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of Profit and Loss.

(p) **Finance Costs**

Finance costs include interest and amortisation of ancillary costs incurred.

Current - Non current classification

All assets and liabilities are classified into current and non-current.

Assets: An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be realized within 12 months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

it is expected to be settled in the Company's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be settled within 12 months after the reporting date; or

the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(q) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(s) **Employee stock option scheme**

The Avanti Finance Employee Stock Option Plan (the "Scheme") has been established by the Company. The Scheme provides that employees of Avanti Finance Private Limited are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The Company uses the intrinsic value method to account for employee share-based payments. The excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price (if any) is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

(t) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

	As at March 31, 2022 (Rupees in Lakhs)
Note 3	
SHARE CAPITAL	
(a) AUTHORISED	
15,75,00,000 Equity Shares of Rs. 10/- each (Previous year 8,00,00,000 Equity Shares of Rs. 10/- each)	15,750.00
11,50,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year 4,00,00,000 of Series A Preference Shares of Rs. 10/- each)	11,500.00
1,90,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. NIL Series A1 Preference Shares of Rs. 10/- each)	1,900.00
Total	29,150.00
(b) ISSUED, SUBSCRIBED AND PAID-UP	
14,90,32,193 Equity Shares of Rs. 10/- each fully paid-up (Previous year 13,45,16,086 Equity Shares of Rs. 10/- each fully paid-up)	14,903.22
11,24,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year NIL Series A Preference Shares of Rs. 10/- each)	11,240.00
1,86,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year NIL Series A Preference Shares of Rs. 10/- each)	1,860.00
Total	28,003.22

(c) Reconciliation of Shares outstanding at the beginning and at the end of the year March, 2022:

Equity shares	March 31, 2022	
Particulars	No. of Equity Shares	(Rupees in Lakhs)
Outstanding at the beginning of the year	13,45,16,086	13,451.61
Issued during the year	1,45,16,107	1,451.61
Outstanding at the end of the year	14,90,32,193	14,903.22

Compulsorily Convertible Preference shares	March 31, 2022	
Particulars	No. of Preference shares	(Rupees in Lakhs)
Outstanding at the beginning of the year	-	-
Issued during the year (Series A)	11,24,00,000	11,240.00
Issued during the year (Series A1)	1,86,00,000	1,860.00
Outstanding at the end of the year	13,10,00,000	13,100.00

(d) Rights, preferences and restrictions attached to Equity Shares:

The company has one class of equity shares having a par value of Rs. 10/ each. Each holder of an equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Compulsorily Convertible Preference shares:

Each holder of Series A CCPS and Series A1 CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Series A CCPS and/ or Series A1 CCPS held by such holder of Series A CCPS and Series A1 CCPS respectively, in preference and priority to the payment of any dividend in respect of all other Securities.

Each Series A CCPS will deemed to be an Equity Share for the purpose of calculation voting rights, prior to Qualifying Financing or Non-Qualifying Financing or the Conversion Events.

the Series A1 CCPS and Series A1 Equity Shares shall not carry any voting rights, except those that are available under the Act, which do not include the right to vote for the appointment or removal of Directors.



(e) Details of Shares held in the Company by each shareholder holding more than 5% shares:**Equity shares**

Name of the Shareholder	As at March 31, 2022	
	No. of Shares held	% of Holding
Mr. Ratan N. Tata	1,68,70,859	11.32%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	88.09%

Compulsorily Convertible Preference shares Series A

Name of the Shareholder	As at March 31, 2022	
	No. of Shares held	% of Holding
Orkocredit Ecumenical Development Cooperative Society U.A.	4,30,00,000	38.26%
Wao Partners LLP	1,50,00,000	13.35%
Bill & Melinda Gates Foundation	5,44,00,000	48.40%

Compulsorily Convertible Preference shares Series A1

Name of the Shareholder	As at March 31, 2022	
	No. of Shares held	% of Holding
Bill & Melinda Gates Foundation	1,86,00,000	100.00%

(f) Details of Shares held by promoters at the end of the year March, 2022

Shares held by promoters at the end of the year			
S.L No	Promoter name	No of shares	% of total shares
1	Mr. Ratan N. Tata	1,68,70,859	11.32%
2	NRJN Family Trust (through	13,12,86,747	88.09%

(g) Employee stock options

Terms attached to stock options granted to employees are described in note 34 regarding employee share based payments.



(h) Terms of Conversion of Compulsorily Convertible Preference shares (CCPS)**Mandatory conversion upon Qualifying Financing**

(i) the Series A CCPS and Series A1 CCPS shall convert at a predetermined rate subject to an internal rate of return dependent on the company achieving a Qualifying Financing event or a Non Qualifying Financing event. In case the company is not able to achieve Qualifying Financing event or a Non Qualifying Financing event by the long stop date, the CCPS will convert at the predetermined strike rate as agreed in the Share Holding Agreement

(i) Terms of Conversion of Compulsorily Convertible Debentures (CCD)**Conversion upon Qualifying Financing**

(i) the CCD shall convert at a predetermined rate subject to an internal rate of return dependent on the company achieving a Qualifying Financing event or a Non Qualifying Financing event. In case the company is not able to achieve Qualifying Financing event or a Non Qualifying Financing event by the long stop date, the CCD will convert at the predetermined strike rate as agreed in the Share Holding Agreement

Note 4**RESERVES AND SURPLUS**

Balance in Statement of Profit and Loss

Opening balance

Add: Loss for the year

Add: Dividend for CCPS for the year

Closing Balance

Total

As at
March 31, 2022
(Rupees in Lakhs)

(9,800.45)

(3,306.42)

-

(13,106.87)

Note 5**Share / Debenture Application Money pending Allotment**

Series A Compulsory Convertible preference shares (CCPS)

Compulsorily Convertible Debentures (CCD)

Total

-

-

-

Note 6**LONG TERM BORROWING****Debentures**

Secured, Redeemable, Non Convertible Debenture*

Unsecured, Redeemable, Non Convertible Debenture*

Unsecured, Compulsorily Convertible Debenture

Term Loan - Secured

Secured, Loan from Bank and Financial Institution

From Banks*

From others*

Total

11,700.00

3,300.00

2,500.00

-

1,400.00

5,344.54

24,244.54

*The funds raised by the Company during the year by issue of Non Convertible Debentures and Term Loans were utilised for the purpose intended.

All secured NCDs issued by the Company and Term Loans availed by the Company are secured by exclusive charge on the Company's receivables. Out of total secured NCDs outstanding, Avanti Microfinance Private Limited has provided guarantee for Rs. 87,00,00,000 to Catalyst trusteeship Limited for the secured NCDs.

(a) Details of terms of contractual principal redemption/repayment in respect of Debentures and Term loan

Debenture	0-1 years	1-3 years
Secured		
12.00% - 12.75% p.a.	-	11,700.00
Unsecured		
5.0%	-	3,300.00
Total	-	1,50,00,00,000.00
Term Loan		
From Banks		
Floating interest rate		
10.25% - 11.50% p.a.	1,150.00	400.00
Fixed interest rate		
10.00%	-	1,000.00
From Others		
Floating interest rate		
12.50% - 13.85% p.a.	2,111.58	4,344.54
Fixed interest rate		
12.50%	1,000.00	1,000.00
Total	4,261.58	67,44,54,441.00



Particulars of Secured Redeemable Non-convertible Debentures:

Particulars	Quantity	Date of Redemption	As at March 31, 2022
12.00% - Face value 1000000	280	August 09, 2024	2,800.00
12.00% - Face value 1000000	590	February 05, 2025	5,900.00
12.75% - Face value 1000000	150	September 30, 2024	1,500.00
12.75% - Face value 1000000	150	September 30, 2024	1,500.00
Total			11,700.00

Particulars of Unsecured Redeemable Non-convertible Debentures:

Particulars	Quantity	Date of Redemption	As at March 31, 2022
5.00% - Face value 100000	1500	November 02, 2023	1,500.00
5.00% - Face value 100000	1800	November 03, 2024	1,800.00
Total			3,300.00

Note 7**LONG TERM PROVISIONS**

Gratuity [Refer Note 31]

Employees Payable

As at
March 31, 2022
(Rupees in Lakhs)

66.25

55.39

Total 121.64**Note 8****OTHER LONG-TERM LIABILITIES**

Employees Payable

Security deposit from partners

192.66

Total 192.66**Note 9****SHORT TERM BORROWINGS**

Current maturities of long-term debt [Refer Note 6]

Term Loan - Secured

From Banks

From others

1,150.00

3,111.58

Total 4,261.58

Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 10

Trade Payables

Total outstanding due to Micro and Small Enterprises
Total outstanding of other than Micro and Small Enterprises

As at March 31, 2022 (Rupees in Lakhs)
326.27
326.27

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

- a) The amounts remaining unpaid to micro and small suppliers as at the end of the year
- Principal
- Interest
- b) The amount of interest paid by the buyer as per the MSMED Act, 2006
- c) The amounts of the payments made to micro and small suppliers beyond the appointed day:
- d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006
- e) The amount of interest accrued and remaining unpaid at the end of year
- f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

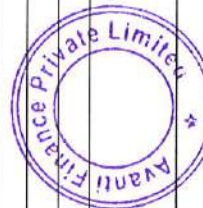
Note 11

(A) Trade Payable aging schedule as on 31 March 2022

Particulars	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	326.27	-	-	-	326.27
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(B) Trade Payable aging schedule as on 31 March 2021

Particulars	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	2.99	-	-	-	2.99
(ii) Others	-	122.31	-	-	-	122.31
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-



Note 12**OTHER CURRENT LIABILITIES**

Payable under assignment agreement [Refer Note 25]

Statutory Remittances

Interest Accrued but not due on borrowings

Advance received from Partners

Provision for Lease liability

Dividend payable on Compulsorily convertible preference shares

Outstanding expenses

Others

As at
March 31, 2022
(Rupees in Lakhs)-
206.72
154.42
150.00
-
-
178.02
0.51Total **689.68**

*One of the partners of the company has allegedly misappropriated / siphoned collection/disbursement from borrowers to the extent of Rs.6.37 crores, out of which outstanding as at March 31, 2022 is Rs. 5.34 crore. Out of the outstanding amount, INR 1.5 crores has been received from the partner. However details of the borrower against whom such amounts have to be adjusted have not been provided by the partner. Due to pending receipt of such data, this amount has been presented above as "Other Current Liability". Further, of the total outstanding amount of INR 5.34 Cr, the company has written off 1.42 Cr and has provided 1.25Cr of additional provision as at March 31, 2022.

Note 13**SHORT TERM PROVISIONS**

Statutory provision against Standard Assets

Provision for substandard assets

Gratuity [Refer Note 31]

Employees Payable

As at
March 31, 2022
(Rupees in Lakhs)123.72
265.77
4.70
595.08Total **989.27**

Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 14

Property, Plant & Equipment

Particulars	Gross Block			Accumulated Depreciation			(Rupees in Lakhs)	
	As at April 1, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	As at March 31, 2022	As at March 31, 2022
Tangible assets								
Computers	42.26 27.57	37.88 14.70	-	79.95 42.26	24.50 16.25	13.32 8.25	37.82 24.50	42.13 17.77
Furniture and Fixtures	10.31 9.29	1.03 1.02	-	11.34 10.31	7.32 7.08	1.36 0.23	8.68 7.32	2.86 3.00
Office Equipment	8.88 8.88	1.48 0.00	-	10.36 8.88	8.41 8.28	0.18 0.13	8.59 8.41	1.78 0.47
Electronic Equipment	13.42 6.94	25.51 6.49	-	38.93 13.42	13.42 6.94	25.51 6.49	38.93 13.42	-
Server and Network equipment	6.50 0.00	0.00 0.00	-	6.50 6.50	1.25 0.18	1.08 1.08	2.35 1.26	4.15 5.23
Total	81.38	65.70	-	147.07	54.90	41.45	96.36	50.72

Note 15

Intangible assets

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at	Additions during the year	Deductions during	As at	As at	Depreciation for the year	As at	As at
Intangible assets								
Software	-	1,839.15	-	1,839.15	-	3.02	3.02	1,836.12
Goodwill	-	747.32	-	747.32	-	-	-	747.32
Total	-	2,586.46	-	2,586.46	-	3.02	3.02	2,583.44

Note:

- 1) Previous year figures are disclosed in italics.
- 2) The Company does not own any immovable property held in name of other entity.
- 3) The Company has not revealed any item of Property, Plant or Equipment during the year.



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 16

LONG-TERM LOANS AND ADVANCES

Considered Good, Secured

Loans and Advance

132.47

Considered Good, Unsecured

(a) Loans and Advance

11,323.65

(b) Advance income-tax

26.96

(d) Prepaid expenses

-

Considered Doubtful, Unsecured

(a) Loans and Advance

0.02

Total 11,483.09

Note:

The Company has not granted any loans or advances in the nature of loans, to promoters, Directors, KMPs and related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment during the year.

Note 17

OTHER NON CURRENT ASSET

(a) Security Deposit

29.74

Total 29.74

Note 18

CASH AND CASH EQUIVALENTS

Balances with Banks

(i) In Current Accounts

1,017.43

(ii) In Deposit Accounts with original maturity less than 3 months

1,844.05

Total 2,861.47

Note 19

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(i) In Deposit Accounts with original maturity more than 3 months

49.65

Total 49.65

Note 20

SHORT-TERM LOANS AND ADVANCES

Considered Good, Secured

Loans to customers*

2,258.76

Considered Doubtful, Secured

Loans to customers

-

Considered Good, Unsecured

(a) Loans to customers*

24,277.05

[Includes Interest Accrued and due amounting to Rs. 4,78,38,137 (PY Rs. 58,12,838)]

(b) Prepaid expenses

17.27

(c) Advance to supplier

491.78

(d) Balances with Government Authorities (GST credit receivable)

341.71

Considered Doubtful, Unsecured

(a) Loans to customers*

1,181.50

Receivable from Partners

-

Less: Provision for receivable from Partners

Considered Doubtful, Unsecured

Balances with Government Authorities (GST credit receivable)

486.79

Less: Provision for doubtful loans and advances (GST)

-486.79

(The provision for GST Credit has been made as there are no taxable services are provided)

Total 28,568.07

Note 21

OTHER CURRENT ASSETS

Considered Good, Unsecured

(a) Interest Accrued but not due on Loans and Advances (Standard Assets)

83.80

(b) Accrued Interest on fixed deposits

2.13

(c) Balances with Collection agents

-

(d) Others

9.88

Total 95.82



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

	For the year ended March 31,2022 (Rupees in Lakhs)
Note 22	
Interest income	
Interest income on Loans	4,025.43
	4,025.43
Note 23	
FEES AND COMMISSION INCOME	
Processing fees	444.48
Service fee	-
Total	444.48
Note 24	
OTHER INCOME	
Interest on	
- Fixed deposits with bank	47.24
- Income tax refund	0.75
Insurance Receipts	0.36
Other non operating income	
Other Miscellaneous Income	1.61
Total	49.95
Note 25	
EMPLOYEE BENEFITS EXPENSES	
Salaries and Wages	2,114.01
Gratuity [Refer Note 26]	24.59
Contribution to Provident Fund [Refer Note 26]	32.20
Staff Welfare Expenses	46.28
Total	2,217.08
Note 26	
FINANCE COST	
Interest expense	1,158.84
Other borrowings cost	456.15
Total	1,614.99
Note 27	
PROVISION AND WRITE-OFF OF LOAN ASSETS	
(a) Loan assets written off	1,793.40
(b) Provision on Loan assets	389.49
(c) Loan assets written off recovered	(11.57)
(d) Provisions for Loan assets written back	(1,579.76)
Total	591.57
Note 28	
OTHER EXPENSES	
Legal and Professional Expenses	764.32
Payments to auditors (Refer note below)	21.98
Stamp duty and filing fees	149.38
Provision on Loans and Advances [GST]	153.90
Travelling, Conveyance and Food Expenses	49.07
Lodging & Boarding Expenses	19.32
Membership and Subscription	31.39
Bank Charges	10.23
Office Expenses	24.85
Recruitment expenses	27.97
Rent	29.68
Miscellaneous Expenses	7.57
Total	1,289.66
Notes:	
Payments to the auditors include:	
(a) As auditors - statutory audit	19.03
(b) Tax audit fees	2.94
Total	21.98



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

	For the year ended March 31,2022
	(Rupees in Lakhs)
Note 29 LEASING ARRANGEMENTS	
Future minimum lease rental payable under non-cancellable lease	-
Not later than one year	-
later than one year but not later than three years	-
Total	-
Note 30 EXPENDITURE IN FOREIGN CURRENCY	
Payment towards software subscription	15.64
Total	15.64

Note 31

Related Party Transactions

(i) List of related parties and nature of relationship:

Nature of relationship	Name of related parties
Non-executive Director	Mr. Ratan Tata - Investing party
Non-executive Director	Mr. Nandan Mohan Nilekani
Non-executive Director	Dr. Vijay Kelkar
Investing Party	NRJN Family Trust - Investing Party
Chief Executive Officer	Rahul Gupta

Note: Related parties have been identified by the management and relied upon by auditors.

(ii) Details of related party transactions during the year are given below:-

Particulars	For the year ended March 31,2022
	(Rupees in Lakhs)
NRJN Family Trust - Issue of Share capital [Refer Note 1]	551.61
Mr. Ratan Tata	900.00
Remuneration to key management personnel [Refer Note 2]	
Rahul Gupta - Remuneration to Key management personnel	348.88
Reimbursement of expenses to key management personnel	
Rahul Gupta - Reimbursement of Expenses	2.15
Employee stock options	
Mr. Rahul Gupta [Refer Note 3]	-
Guarantee received	
The Subsidiary Company has provided guarantee to Catalyst Trusteeship Limited towards issuance of Non convertible debentures for an amount of Rs. 100,00,00,000 by Holding Company. Currently Holding company has issued non convertible debenture of Rs. 87,00,00,000 out of total sanctioned amount.	

Note 1: Company has issued equity shares amounting to Rs. Nil to NRJN Family Trust against the loan.

Note 2: Expense towards gratuity cannot be determined employee wise since the provision is based on the actuarial valuation of the company as a whole, hence the same have not been considered in above disclosure.

Note 3: 75,00,000 Number of Employee stock options was granted to Mr. Rahul Gupta during financial year 2020-21.

(iii) Related Party Closing balances

Particulars	As at March 31,2021
	(Rupees in Lakhs)
NRJN Family Trust - Equity share capital	13,128.67
Dr. Vijay Kelkar	87.46
Mr. Ratan Tata	1,687.09



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 32

Disclosure in respect of Employee Benefit

a) The Company has recognised in the Statement of Profit and Loss for the year ended March 31, 2022 an amount of Rs. 32,01,000/- payment towards provident fund as a defined contribution plan.

b) Defined Benefit Plan

General description of the plan Gratuity:

Gratuity is payable to all eligible employees of the Company on resignation, death, permanent disablement in terms of the company's gratuity scheme.

		(Rupees in Lakhs)
Particulars		Gratuity
		March 31, 2022
(A)	Change in defined benefit obligation	
	Liability at the beginning of the year	46.35
	Interest cost	4.06
	Current service cost	16.33
	Actuarial loss/(gain) on obligation	4.20
	Past Service Cost	-
	Benefits Paid	-
	Liability at the end of the year	70.94
(B)	Amount Recognised in the Balance Sheet	
	Liability at the end of the year	-
	Fair Value of Plan Assets at the end of the year	-
	Present value of unfunded obligation	70.94
	Unrecognised Past service cost	-
	Amount Recognised in the Balance Sheet	70.94
(C)	Expenses Recognised in the statement of Profit and Loss	
	Current Service cost	16.33
	Interest cost	4.06
	Net Actuarial Loss/(gain) to be recognized	4.20
	Past Service Cost	-
	Expenses Recognised in Statement of Profit and Loss	24.59
(D)	Actuarial Assumptions	
	Discount Rate (p.a.)	6.90%
	Salary Increment Rate (p.a.)	10.00%

Sensitivity analysis

Assumptions	Discount rate impact	
Sensitivity level	0.5% Increase	0.5% Decrease
Impact on defined obligation plan	(2.30)	2.44

Expected benefit payments for future years

	(Rupees in Lakhs)
With in next 12 months	4.70
Between 1 to 5 years	29.66
5th year onwards	90.05
Total	124.41



Note	Particulars																																																											
33	Employee Stock Option Scheme																																																											
a)	In the extraordinary general meeting held on January 14, 2021, the shareholders approved the issue of Employee stock options under the Scheme titled " 2020 Avanti Employee Stock Option Plan" (ESOP A). The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option is Rs. 10 per share or such price/s as may be determined by the Compensation Committee in the event of 'Change in Capital Structure' or 'Corporate Action'. The options granted vest over a period of 1 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 4 years of vesting. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.																																																											
b)	Employee stock options details as on the balance sheet date are as follows: <table><tr><th rowspan="2">Particulars</th><th colspan="2">During the year ended 31 March, 2022</th></tr><tr><th>Options (Numbers)</th><th>Weighted average exercise price per option (Rs.)</th></tr><tr><td>Option outstanding at the beginning of the year:</td><td>3,55,10,000</td><td>-</td></tr><tr><td>- ESOP A</td><td></td><td></td></tr><tr><td>Granted during the year:</td><td></td><td>10</td></tr><tr><td>- ESOP A</td><td></td><td></td></tr><tr><td>Exercised during the year:</td><td></td><td>-</td></tr><tr><td>- ESOP A</td><td></td><td></td></tr><tr><td>Lapsed during the year:</td><td></td><td>-</td></tr><tr><td>- ESOP A</td><td></td><td></td></tr><tr><td>Forfeited during the year:</td><td></td><td>-</td></tr><tr><td>- ESOP A</td><td>18,92,187</td><td></td></tr><tr><td>Options outstanding at the end of the year:</td><td></td><td></td></tr><tr><td>- ESOP A</td><td>3,36,17,813</td><td>10</td></tr><tr><td>Vested during the year:</td><td></td><td></td></tr><tr><td>- ESOP A</td><td>1,72,07,190</td><td></td></tr><tr><td>Options available for grant:</td><td></td><td></td></tr><tr><td>- ESOP A</td><td>1,63,82,187</td><td>10</td></tr><tr><td>The weighted average share price at the date of exercise for stock options</td><td>-</td><td>-</td></tr><tr><td>Range of exercise price for options outstanding at the end of the year</td><td></td><td>10</td></tr></table>	Particulars	During the year ended 31 March, 2022		Options (Numbers)	Weighted average exercise price per option (Rs.)	Option outstanding at the beginning of the year:	3,55,10,000	-	- ESOP A			Granted during the year:		10	- ESOP A			Exercised during the year:		-	- ESOP A			Lapsed during the year:		-	- ESOP A			Forfeited during the year:		-	- ESOP A	18,92,187		Options outstanding at the end of the year:			- ESOP A	3,36,17,813	10	Vested during the year:			- ESOP A	1,72,07,190		Options available for grant:			- ESOP A	1,63,82,187	10	The weighted average share price at the date of exercise for stock options	-	-	Range of exercise price for options outstanding at the end of the year		10
Particulars	During the year ended 31 March, 2022																																																											
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Option outstanding at the beginning of the year:	3,55,10,000	-																																																										
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Granted during the year:		10																																																										
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Exercised during the year:		-																																																										
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- ESOP A	1,63,82,187	10																																																										
The weighted average share price at the date of exercise for stock options	-	-																																																										
Range of exercise price for options outstanding at the end of the year		10																																																										

Note:

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	Range
1. Risk free interest rate (%)	6.00%
2. Expected life	3 years
3. Expected volatility (%)	30.00%
4. Dividend yield (%)	

The compensation cost of stock options granted to employees has been accounted by the Company using the intrinsic value method. Had the compensation cost for the Company's stock based compensation plan been determined as per fair value approach (calculated using Black Scholes Options Pricing Model), the Company's Profit after Tax would be lower by Rs. 4,83,52,204 (Previous Year: Profit after Tax lower by 0) and profit per share as reported would be lower as indicated below:

Particulars	2022
Profit/(Loss) after tax	-3,306.43
Add: Total stock based compensation expense under intrinsic value based method	-
Less: Total stock based compensation expense determined under fair value based method	483.52
Adjusted net profit/(loss)	-3,790
Basic and diluted loss per share (in Rs.)	
- As reported	-2.29
- Adjusted	-2.63
Diluted profit/(loss) per share (in Rs.)	
- As reported	-2.29
- Adjusted	-2.63



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 34

Basic and Diluted earnings per share (EPS)

Particulars	For the year ended March
Profit/(Loss) after tax attributable to equity shareholders	(3,306.42)
No of Weighted Average Equity Shares outstanding during the period(Basic)	1,443.79
No of Weighted Average Equity Shares outstanding during the period ((including dilutive	2,455.71
Total number of equity share outstanding at end of year	1,490.32
Nominal Value of Equity Shares (in ₹)	10.00
Basic profit/(loss) per share (in ₹)	(2.29)
Diluted profit/(loss) per share	(2.29)

Note:

The effect of conversion of 0.001% Non-Cumulative Compulsorily Convertible Non-Redeemable Preference Shares, Compulsorily Convertible Debentures and Employee Stock options while computing loss per share for the year ended 31.03.2022 were anti-dilutive, hence not considered.

Note 35

The company operates as a Non-Banking Finance Company, to provide on lease, leave and license, or hire purchase basis or on any other basis, and to undertake and or arrange or syndicate all types of business relating to financing social sector, consumers, Individuals, Industry and corporates financing for all kinds of plant, equipment, machinery, vehicles and any other moveable and immovable properties.

These, in the context of Accounting Standard 17 on Segment Reporting, are considered to constitute one single primary segment.

Further, business of the Company is within India, hence, there is no geographical segment. Accordingly, disclosure of information as per AS-17 is not required.

Note 36 Capital commitment and Contingent Liability

(a) **Capital commitment:** Commitment towards contracts remaining to be executed on capital accounts as at March 31, 2022 is Rs. Nil.

(b) **Contingent liabilities:**

- Claims against Company not acknowledged as debts as at March 31, 2022 is Rs. Nil (P.Y. Rs.Nil).
- The Subsidiary Company has provided guarantee to Catalyst Trusteeship Limited towards issue of Non convertible debentures for an amount of Rs. 100,00,00,000 by Holding Company.

Note 37

Additional Regulatory Information under MCA Notification dated March 24, 2021

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

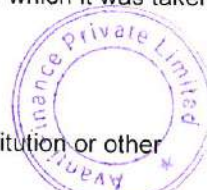
b. Additional information where borrowings are from banks or financial institutions:

(i) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 21, Sept 21 and Dec 21 are in agreement with the books of accounts. Further for quarter ended Mar 22 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers;

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. **Wilful Defaulter:** The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

d. **Relationship with Struck off Companies :** During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.



e. Registration of charges or satisfaction with Registrar of Companies (ROC): In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

S.No	Particular	March'2022	March'2021	% of Change
a	Current Ratio	5.04	NA	NA
b	Debt Equity Ratio	1.91	NA	NA
c	Debt Service Coverage Ratio	-2.85	NA	NA
d	Return on Equity	-22%	NA	NA
e	Inventory Turnover Ratio	NA	NA	NA
f	Trade Receivables Turnover Ratio	NA	NA	NA
g	Trade Payables Turnover Ratio	NA	NA	NA
h	Net Capital Turnover Ratio	0.16	NA	NA
i	Net Profit Ratio	-0.82	NA	NA
j	Return on Capital Employed	-0.05	NA	NA
k	Return on Investment	NA	NA	NA

Details of Items included in Ratio computation

S.No	Particular	Particular
a	Current Ratio	Current assets/Current Liability
b	Debt Equity Ratio	Total Debt/Shareholders Equity
c	Debt Service Coverage Ratio	Earnings available for debt services/Debt Services
d	Return on Equity	Net Profits after taxes – Preference Dividend (if any)/Average Shareholder's Equity
e	Inventory Turnover Ratio	Company does not have Inventory to calculate these ratio
f	Trade Receivables Turnover Ratio	Company does not have Trade Receivable to calculate these ratio
g	Trade Payables Turnover Ratio	Company does not have net credit purchase to calculate these ratio
h	Net Capital Turnover Ratio	Revenue from Operation/Average Working Capital
i	Net Profit Ratio	Net operating Income / Revenue from Operation
j	Return on Capital Employed	Net Operating Income / (Total Assets - Current Liabilities)
k	Return on Investment	

h. Compliance with approved Scheme(s) of Arrangements: The Company has no entered in any such arrangements during the year

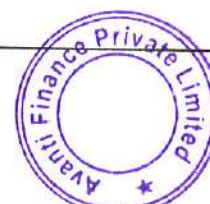
i. Utilisation of Borrowed funds and share premium: During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i). No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (ii). No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

k. Details of Crypto Currency or Virtual Currency: The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

l. Title deeds of Immovable Property not held in name of the Company : The title deeds, comprising all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) classified as Property Plant and Equipment, are held in the name of the Company.



Note 38

The Company ('the assignor') has entered into loan assignment agreements with Avanti Microfinance Private Limited ('the assignee') for a consideration of Rs. 9,36,12,200. Accordingly, a total loan portfolio of 4,146 loans have been transferred by the Company.

On the payment of the purchase consideration by the Assignee, the assignor sells, transfers, assigns and conveys, to the assignee and the assignee acquires the receivables from the assigned assets together with all rights, title and interest therein such that the assignee will hereafter be deemed to be the legal owner of the assigned assets except the rights that are personal in nature or which form a part of the retained shared as required by extant RBI regulations. The assignee assumes all responsibilities and liabilities of the assignor with respect to or in connection with assigned assets, under or pursuant to the underlying documents. The underlying documents are continuing in the name of the assignor. The assignor will only be an agent for the purposes of managing, collecting, and receiving payment of the receivables from the assigned assets for which the assignor will get service fees.

Note 39

The Subsidiary Company is registered as Micro Finance company, accordingly it needs to comply with Net Owned Fund (NOF) requirement of Rs. 5 crore and Qualifying assets of 85%. As at March 31, 2021 the Company had not complied with these RBI Regulations, accordingly applied for extension. The request of the company had been accepted extension was granted till July 31, 2021 to comply to this conditions.

The Company is in compliance with both the requirement as on March 31, 2022.

Note 40

The figures of the previous year have been regrouped / restated wherever necessary to correspond with those of the current year.

Signature to Notes 1 to 40

In terms of our report attached

For **M. P. Chitale & co.**
Chartered Accountants

Murtuza Vajhi
Partner



Place: Mumbai

Date: July 13, 2022

For and on behalf of the Board of Directors

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI FINANCE PRIVTE LIMITED ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Avanti Finance Private Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, and the Statement of Cash Flow for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022 and loss and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act ("the SAs"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.



Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India including Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



- vi. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Standalone Financial Statements of the Company for the year ended 31st March, 2021 were audited by predecessor auditor who expressed an unmodified opinion on those Standalone Financial Statements vide their report dated September 30, 2021.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 as amended
 - e. on the basis of written representations received from the directors, as on 31st March, 2022 taken on record by the Board of Directors, none of the other directors is disqualified as on 31st March, 2022, from being appointed as a director in terms of Section 164(2) of the Act;



- f. with respect to the adequacy of the internal financial controls in conjunction with financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
3. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
- b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022; and
- d. (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts (Refer note 37 (i) to the Standalone Financial Statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts (Refer note 37 (i) to the Standalone Financial Statements), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (i) & (ii) above, contain any material misstatement.

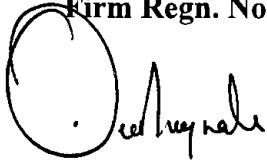


- e. The company has neither declared dividend nor paid during the year.
- f. The requirements of Section 197 (16) of The Companies Act, 2013 are applicable only to public companies and hence reporting under this clause is not applicable.

For M. P. Chitale & Co.

Chartered Accountants

Firm Regn. No.101851W



Murtuza Vajihi

Partner

Membership No.: 112555

UDIN: 22112555AMTUML3281

Place: Mumbai

Date: July 13, 2022

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS
OF AVANTI FINANCE PRIVATE LIMITED OF EVEN DATE)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.
- (b) In our opinion, the Company's program of verifying Property, Plant and Equipment once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment, were done during the current year. We have been informed that no material discrepancies were noticed on such verification.
- (c) Since the company does not hold any immovable property, reporting under clause 3 (i)(c) is not applicable to the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) during the year.
- (e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is in business of providing loans. Therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) (a) of the Order is not applicable to the Company.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii) (b) of the Order is not applicable to the Company.
- (iii) (a) Since the Company is in business of providing loans, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.



(c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 6133 cases having outstanding balance at year end aggregating to Rs 1830.76 lakhs (net of write offs) and 6467 accounts aggregating to an amount of Rs 1537.06 lakhs that have been written off wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

(d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under.

No. of cases	Principal amount overdue (Rs.) (lakhs)	Interest overdue (Rs.) (lakhs)	Total overdue (Rs.) (lakhs)
3167	1264.98	31.67	1296.65

According to information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

(e) Since the Company is in business of providing loans, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanation given to us and the records examined by us, the Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us and records examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.



- (vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company
- (vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us, there are no material disputed statutory dues that have not been deposited as on 31st March, 2022 on account of appeal matters pending before the appropriate authorities.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.
- (c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised
- (d) On an overall examination of the Standalone financial statements of the Company, no funds have been raised on short-term basis therefore reporting under this clause is not applicable.
- (e) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and Associate



- (f) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised loans during the year on the pledge of securities held in its subsidiary and associate and therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company
- (b) The Company has made a private placement of convertible debenture and preference shares aggregating to Rs. 15,600 lakhs. According to the information and explanations given to us and on the basis of our examination of the records, such funds raised have been used for the purpose for which they were raised.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have noticed instances of fraud on the Company. Details of fraud on the Company, noticed or reported during the year are as under
- The Company has identified certain channel partners who have allegedly misappropriated disbursements/collections aggregating to Rs 555.80 lakhs in FY 2021-22.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, there are no whistle blower complaint received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) The company is a private company and hence the provisions of Section 177 of Companies Act, 2013 ("the Act") is not applicable to the company. In our opinion and according to the information and explanations given to us the company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statement etc. as required by the applicable accounting standards.



- (xiv) (a) & (b) Since the requirements of Internal Audit are not applicable to The Company, reporting under this clause is not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without obtaining a valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934
- (c) According to the information and explanations given to us the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- (xvii) The Company has incurred cash losses of Rs 2341.71 lakhs during the financial year covered by our audit and the losses of Rs 2965.37 lakhs for the immediately preceding financial year.
- (xviii) Pursuant to the requirements of the guidelines for Appointment of Statutory Central Auditors (SCAs/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), 8CBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India RBI guidelines dated April 27, 2021, the predecessor statutory auditors (Deloitte Haskins & Sells LLP, ICAI Firm Registration No. 117366W/W-100018) of the Company resigned during the year. There were no issues, objections or concerns raised by the outgoing auditors wrt their resignation, as communicated to us in their No objection letter.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet



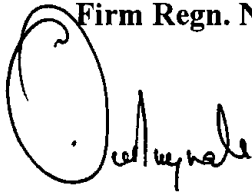
date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records, the company is not liable to contribute towards Corporate Social Responsibility (CSR) as specified in Section 135 of the Companies Act Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) the Corporate Social Responsibility (CSR) policy is not applicable to the company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For M. P. Chitale & Co.

Chartered Accountants

Firm Regn. No.101851W



Murtuza Vajihi

Partner

Membership No.: 112555

UDIN: 22112555AMTUMML3281

Place: Mumbai

Date: July 13, 2022

**ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 2(F) UNDER 'REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS
OF AVANTI FINANCE PRIVATE LIMITED OF EVEN DATE)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For M. P. Chitale & Co.

Chartered Accountants

Firm Regn. No.101851W



Murtuza Vajih

Partner

Membership No.: 112555

UDIN: 22112555AMTUML3281

Place: Mumbai

Date: July 13, 2022

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Avanti Finance Private Limited

Standalone Balance Sheet as at March 31, 2022

	Note	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	28,003.22	13,451.61
(b) Reserves and Surplus	4	(12,714.48)	(9,800.45)
		15,288.74	3,651.16
(2) Share / Debenture Application Money pending Allotment	5	-	4,499.99
(3) NON CURRENT LIABILITIES			
(a) Long term borrowings	6	24,244.54	4,050.00
(b) Long term provisions	7	121.64	44.17
(c) Other Long-term liabilities	8	192.66	68.97
(4) CURRENT LIABILITIES			
(a) Short term borrowings	9	4,261.58	2,237.27
(b) Trade Payables	10	-	2.99
Total outstanding due to Micro and Small Enterprises		24.93	122.31
Total outstanding of other than Micro and Small Enterprises		846.67	309.11
(c) Other Current Liabilities	11	914.18	1,980.46
(d) Short term provisions	12	-	-
Total		45,894.95	16,966.44
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property Plant & Equipment and Intangible assets			
Property Plant & Equipment	13	50.72	26.47
(b) Investment	14	3,951.61	-
(c) Long-term loans and advances	15	11,428.75	3,052.28
(d) Other non-current assets	16	29.74	17.86
(2) CURRENT ASSETS			
(a) Cash and Cash Equivalents	17	2,319.50	5,886.96
(b) Bank balances other than cash and cash equivalents	18	49.65	-
(c) Short-Term Loans and Advances	19	27,985.15	7,880.59
(d) Other Current Assets	20	79.82	102.28
Total		45,894.95	16,966.44

See accompanying notes forming part of the financial statements

1-39

In terms of our report attached

For and on behalf of the Board of Directors

For M. P. Chitale & co.
Chartered Accountants

For Avanti Finance Private Limited

Murtuza Vajhi
Partner



Place: Mumbai

Date: July 13, 2022

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



Avanti Finance Private Limited

Standalone statement of Profit and Loss for the year ended March 31, 2022

	Note	For the year ended March 31, 2022 (Rupees in Lakhs)	For the year ended March 31, 2021 (Rupees in Lakhs)
(I) Revenue from operations			
(a) Interest Income	21	4,020.36	914.55
(b) Fees and commission income	22	459.50	10.85
Total revenue from operations		4,479.87	925.40
(b) Other income	23	46.27	27.34
Total Income		4,526.14	952.74
(II) EXPENSES			
(a) Employee benefits expenses	24	2,162.00	1,480.77
(b) Finance cost	25	1,614.99	595.72
(c) Depreciation [Refer Note 14]		41.45	16.18
(d) Hosting and Licensing Fee		1,049.49	951.27
(e) Partner commission		1,018.12	145.13
(f) Provision and Write-off of Loan Assets	26	446.38	1,133.30
(g) Other operating expenses	27	1,107.73	724.81
Total		7,440.17	5,047.16
(III) Loss before tax for the year		(2,914.03)	(4,094.42)
(IV) Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Tax relating to prior years		-	-
(V) Loss after tax for the year		(2,914.03)	(4,094.42)
(VI) Earnings Per Equity Share of Rs. 10/- each			
Basic	34	(2.02)	(4.28)
Diluted	34	(2.02)	(4.28)
See accompanying notes forming part of the financial statements	1-39		

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajih
Partner

Place: Mumbai

Date: July 13, 2022



For and on behalf of the Board of Directors

For Avanti Finance Private Limited

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



Avanti Finance Private Limited

Standalone Cash Flow Statement for the year ended March 31, 2022

(Rupees in Lakhs)

Sr No	Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Rupees	Rupees	Rupees	Rupees
A	Cash flows from operating activities				
i)	Loss before tax		(2,914.03)		(4,094.42)
ii)	Adjustments for:				
	Depreciation	41.45		16.18	
	Finance Cost on borrowings	1,614.99		595.72	
	Interest Income	(4,020.36)		(914.55)	
	Interest Income on Fixed Deposit	(43.56)		(25.36)	
	Income on Income Tax Refund	(0.75)		(0.93)	
	Provision on Goods and Services Tax (input credit)	-		72.64	
	Provision and Write-off of Loan Assets	446.38		1,133.30	
			(1,961.86)		876.99
iii)	Operating loss before working capital changes		(4,875.88)		(3,217.43)
iv)	Adjustments for:				
	(Decrease)/Increase in Short Term Provisions	(1,512.66)		485.02	
	Increase in Long Term Provisions	123.69		12.62	
	Increase in Trade Payable	(100.38)		(302.11)	
	Increase in Other Current Liabilities	386.08		263.10	
	Increase in Other Non-current Liabilities	77.47		67.87	
	(Increase) in Loans and Advances	(28,470.81)		(4,482.84)	
	(Increase) in Other non current assets	(11.87)			
	(Increase) in Other current assets	(3.61)		5.82	
			(29,512.10)		(3,950.51)
	Interest Paid		(34,387.98)		(7,167.94)
	Interest Received		(1,463.50)		(602.44)
	Income-tax paid		4,047.02		927.96
			(9.48)		(3.10)
	Net cash used in operating activities		(31,813.94)		(6,845.52)
B	Cash flows from investing activities				
	Purchase of fixed assets	(65.70)		(22.20)	
	Investment in Fixed deposits	(49.65)			
	Investment into subsidiary	(3,951.81)			
	Interest income on fixed deposit with bank	42.98	(4,023.98)	24.19	1.98
	Net cash flows (used)/ generated from investing activities		(4,023.98)		1.98
C	Cash flow from financing activities				
	Loan from Financial Institutions	19,718.85		2,287.27	
	Application Money Pending Allotment	-		4,499.99	
	Loan From Director/Shareholder (Refer Note 3)	-		2,000.00	
	Compulsorily Convertible debentures issued	1,778.85			
	Compulsorily convertible preference share issued	9,321.16			
	Equity Shares issued	1,451.61	32,270.47	3,000.00	11,787.27
	Net cash flows generated from financing activities		32,270.47		11,787.27
	Net Increase /(Decrease) in cash and cash equivalents		(3,567.45)		4,943.73
	Cash and cash equivalents at the beginning of the year		5,886.96		943.23
	Cash and cash equivalents at the end of the year		2,319.50		5,886.96
	Cash and Cash Equivalents as per Financial Statements		2,319.50		5,886.96
	See accompanying notes forming part of financial statements				

Notes:

1. Previous year figures have been recast / restated wherever necessary.
2. Figures in bracket represent outflow.

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajhi
Partner

Place: Mumbai

Date: June 13, 2022



For and on behalf of the Board of Directors

For Avanti Finance Private Limited

Mr. Nandan Mohan Nilekani
Director
DIN: 00041245

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvasi P. Bahirsheth
Company Secretary
M. No. A37475



Avanti Finance Private Limited

Notes forming part of financial statements

Note 1

Corporate Information

Avanti Finance Private Limited ("the Company") is registered under Companies Act, 2013 as a private Company. The Company has been incorporated on August 1, 2016 to carry on the business as a Finance Company, to provide on lease, leave and license, or hire purchase basis or on any other basis, and to undertake and or arrange or syndicate all types of business relating to financing social sector, consumers, Individuals, Industry and corporates financing for all kinds of plant, equipment, machinery, vehicles and any other moveable and immovable properties.

The company is registered as Non-Banking Finance Company ("NBFC") without accepting public deposits, holding a Certificate of Registration with the Reserve Bank of India ("RBI") from dated 23 June, 2017.

Note 2

Significant Accounting Policies

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Companies Accounting Standard rule 2006 with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 2013 (the "Act"), as applicable. The Company follows the Reserve Bank of India ("RBI") Directions issued for Non-Banking Financial Companies ("NBFC"). The financial statements have been prepared on accrual basis under the historical cost convention.

(b) Use of Estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(c) Property, plant and Equipment

Tangible fixed assets are recorded at cost less accumulated depreciation and impairment loss, if any. The original cost of fixed assets comprises of purchase consideration and other directly attributable cost of bringing an asset to its working condition for the intended use. All fixed assets costing individually upto INR 25,000 is fully depreciated by the company in the year of its capitalization.

(d) Depreciation

Depreciation on tangible assets has been provided on the Straight Line Method (SLM) as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(e) Impairment of Assets

At the balance sheet date, the Management determines whether a provision should be made for the impairment loss on fixed asset by considering the indications that an impairment loss may have occurred in accordance with the Accounting Standard 28 on 'Impairment of Assets'. Where the recoverable amount of any fixed asset is lower than its carrying amount, a provision for impairment loss on fixed asset is made for the difference.

(f) Investments:

Investments are classified into non-current and current investments.

i) Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

ii) Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.



(g) Revenue Recognition

Interest income on loans is recognized on accrual basis except in case of non-performing assets where interest is recognized upon realization as per the RBI guidelines. Repayment of loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated on reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed.

Income on Non-performing assets is recognized only when realized and any interest accrued until the asset became a Non-performing asset and remaining overdue is de-recognized in the month in which the loan is classified as Non-Performing.

Loan Documentation and Processing fees are recognised on sanction of loans and when there is no significant uncertainty as to determination and realization. Interest income on fixed deposits is accounted on accrual basis and is recognized on a time proportion basis.

Income from interest on deposits and interest bearing securities is recognized on the time proportionate method taking into account the amount outstanding and the rate applicable.

(h) Loans under financing activity

loans are classified as per the RBI guidelines, into performing and non-performing assets. All loans and other credit exposures where the instalments, including interest and other dues are overdue for a period of more than one eighty days are classified as non-performing assets in accordance with the prudential norms prescribed by the RBI. The Company is classifying any non-performing assets as sub-standard and doubtful whose instalments, including interest and other dues are overdue for a period of NPA period 18 month and more than 18 months respectively as stated by RBI guidelines.

The Company maintains general provision for standard assets as per the prudential norms prescribed by the RBI. Additional provisions are made against specific non-performing assets over and above as stated in the RBI guidelines, if in the opinion of management, a higher provision is necessary.

(i) Employee Benefits

Defined Contribution Plan:

The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employee.

Defined Benefit Plan:

The Company has defined benefit plan namely gratuity for all the employees, the liability for which is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets, if any. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include performance incentives.

(j) Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

(k) Provisions and contingencies

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(l) Operating cycle

Based on the nature of services provided by the Company and the normal time between providing the services and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



(m) Accounting for leases

Operating Leases -

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term is classified as operating leases. Operating lease rentals are recognised as an expense on straight-line basis over the lease period in accordance with the AS 19, Leases.

(n) Accounting for foreign currency transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of Exchange differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of Profit and Loss.

(o) Finance Costs

Finance costs include interest and ancillary costs incurred. Finance cost are recognised as an expenditure in the year when they were incurred.

(p) Current - Non current classification

All assets and liabilities are classified into current and non-current.

Assets: An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be realized within 12 months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

it is expected to be settled in the Company's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be settled within 12 months after the reporting date; or

the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(q) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(s) Employee stock option scheme

The Avanti Finance Employee Stock Option Plan (the "Scheme") has been established by the Company. The Scheme provides that employees of Avanti Finance Private Limited are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The Company uses the intrinsic value method to account for employee share-based payments. The excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price (if any) is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

(t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
Note 3		
SHARE CAPITAL		
(a) AUTHORISED		
15,75,00,000 Equity Shares of Rs. 10/- each (Previous year 8,00,00,000 Equity Shares of Rs. 10/- each)	15,750.00	15,750.00
11,50,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year 4,00,00,000 of Series A Preference Shares of Rs. 10/- each)	11,500.00	4,000.00
1,90,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. NIL Series A1 Preference Shares of Rs. 10/- each)	1,900.00	-
Total	29,150.00	15,750.00
(b) ISSUED, SUBSCRIBED AND PAID-UP		
14,90,32,193 Equity Shares of Rs. 10/- each fully paid-up (Previous year 13,45,16,086 Equity Shares of Rs. 10/- each fully paid-up)	14,903.22	13,451.61
11,24,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year NIL Series A Preference Shares of Rs. 10/- each)	11,240.00	-
1,86,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year NIL Series A Preference Shares of Rs. 10/- each)	1,860.00	-
Total	28,003.22	13,451.61

(c) Reconciliation of Shares outstanding at the beginning and at the end of the year March, 2022:

Equity shares Particulars	March 31, 2022		March 31, 2021	
	No. of Equity Shares	(Rupees in Lakhs)	No. of Equity Shares	(Rupees in Lakhs)
Outstanding at the beginning of the year	13,45,16,086	13,451.61	7,84,26,086	7,842.61
Issued during the year	1,45,16,107	1,451.61	5,60,90,000	5,609.00
Outstanding at the end of the year	14,90,32,193	14,903.22	13,45,16,086	13,451.61

Compulsorily Convertible Preference shares Particulars	March 31, 2022		March 31, 2021	
	No. of Preference shares	(Rupees in Lakhs)	No. of Preference shares	(Rupees in Lakhs)
Outstanding at the beginning of the year	-	-	-	-
Issued during the year (Series A)	11,24,00,000	11,240.00	-	-
Issued during the year (Series A1)	1,86,00,000	1,860.00	-	-
Outstanding at the end of the year	13,10,00,000	13,100.00	-	-

(d) Rights, preferences and restrictions attached to Equity Shares:

The company has one class of equity shares having a par value of Rs. 10/- each. Each holder of an equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Compulsorily Convertible Preference shares:

Each holder of Series A CCPS and Series A1 CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Series A CCPS and/ or Series A1 CCPS held by such holder of Series A CCPS and Series A1 CCPS respectively, in preference and priority to the payment of any dividend in respect of all other Securities.

Each Series A CCPS will be deemed to be an Equity Share for the purpose of calculation voting rights, prior to Qualifying Financing or Non-Qualifying Financing or the Conversion Events

the Series A1 CCPS and Series A1 Equity Shares shall not carry any voting rights, except those that are available under the Act, which do not include the right to vote for the appointment or removal of Directors.



(e) Details of Shares held in the Company by each shareholder holding more than 5% shares:**Equity shares**

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ratan N. Tata	1,68,70,859	11.32%	78,70,879	5.85%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	88.09%	12,57,70,630	93.50%

Compulsorily Convertible Preference shares Series A

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Orkocredit Ecumenical Development Cooperative Society, U.A.	4,30,00,000	38.26%	-	0.00%
Waac Partners LLP	1,50,00,000	13.34%	-	0.00%
Bill & Melinda Gates Foundation	5,44,00,000	48.40%	-	0.00%

Compulsorily Convertible Preference shares Series A1

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bill & Melinda Gates Foundation	1,86,00,000	100.00%	-	0.00%

(f) Details of equity Shares held by promoters as at March 31, 2022

Shares held by promoters at the end of the year				% Change during the year 2021-22
S.L No	Promoter name	No of shares	% of total shares	
1	Mr. Ratan N. Tata	1,68,70,859	11.32%	93%
2	NRJN Family Trust (through	13,12,86,747	88.09%	(6%)

(g) Employee stock options

Terms attached to stock options granted to employees are described in note 33 regarding employee share based payments.



(h) Terms of Conversion of Compulsorily Convertible Preference shares (CCPS)**Mandatory conversion upon Qualifying Financing**

(i) the Series A CCPS and Series A1 CCPS shall convert at a predetermined rate subject to an internal rate of return dependent on the company achieving a Qualifying Financing event or a Non Qualifying Financing event. In case the company is not able to achieve Qualifying Financing event or a Non Qualifying Financing event by the long stop conversion date i.e. December 31, 2023, the CCPS will convert at the predetermined strike rate as agreed in the Share Holding Agreement

(i) Terms of Conversion of Compulsorily Convertible Debentures (CCD)**Conversion upon Qualifying Financing**

(i) the CCD shall convert at a predetermined rate subject to an internal rate of return dependent on the company achieving a Qualifying Financing event or a Non Qualifying Financing event. In case the company is not able to achieve Qualifying Financing event or a Non Qualifying Financing event by the long stop conversion date December 31, 2023, the CCD will convert at the predetermined strike rate as agreed in the Share Holding Agreement

	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
Note 4		
RESERVES AND SURPLUS		
Balance in Statement of Profit and Loss		
Opening balance	(9,800.45)	(5,706.03)
Add: Loss for the year	(2,914.03)	(4,094.42)
Closing Balance	Total (12,714.48)	(9,800.45)
Note 5		
Share / Debenture Application Money pending Allotment		
Series A Compulsory Convertible preference shares (CCPS)	-	3,778.84
Compulsorily Convertible Debentures (CCD)	-	721.15
Total	-	4,499.99
Note 6		
LONG TERM BORROWING		
Debentures		
Secured, Redeemable, Non Convertible Debenture*	11,700.00	-
Unsecured, Redeemable, Non Convertible Debenture*	3,300.00	1,500.00
Unsecured, Compulsorily Convertible Debenture	2,500.00	-
Term Loan - Secured		
Secured, Loan from Bank and Financial Institution	-	-
From Banks*	1,400.00	2,550.00
From others*	5,344.54	-
Total	24,244.54	4,050.00

*The funds raised by the Company during the year by issue of Non Convertible Debentures, Compulsorily Convertible Debentures and Term Loans were utilised for the purpose intended.

All secured NCDs issued by the Company and Term Loans availed by the Company are secured by exclusive charge on the Company's receivables. Out of total secured NCDs outstanding, Avanti Microfinance Private Limited has provided guarantee for Rs. 87,00,00,000 to Catalyst trusteeship Limited for the secured NCDs.

(a) Details of terms of contractual principal redemption/repayment in respect of Term loan as at March 31, 2022

Term Loan	0-1 years	1-3 years
From Banks		
Floating interest rate		
10.25% - 11.50% p.a.	1,150.00	400.00
Fixed interest rate		
10.00%	-	1,000.00
From Others		
Floating interest rate		
12.50% - 13.85% p.a.	2,111.58	4,344.54
Fixed interest rate		
12.50%	1,000.00	1,000.00
Total	4,261.58	6,744.54

(b) Details of terms of contractual principal redemption/repayment in respect of Term loan as at March 31, 2021

Term Loan	0-1 years	1-3 years
From Banks		
Floating interest rate		
10.25% - 11.50% p.a.	1,700.00	1,550.00
Fixed interest rate		
10.00%	-	1,000.00
From Others		
Floating interest rate		
12.50% - 13.85% p.a.	537.27	-
Total	2,237.27	2,550.00



Particulars of Secured Redeemable Non-convertible Debentures:				
Particulars	Quantity	Date of Redemption	As at March 31, 2022	As at March 31, 2021
12.00% - Face value 1000000	280	August 09, 2024	2,800.00	-
12.00% - Face value 1000000	590	February 05, 2025	5,900.00	-
12.75% - Face value 1000000	150	September 30, 2024	1,500.00	-
12.75% - Face value 1000000	150	September 30, 2024	1,500.00	-
Total			11,700.00	-
Particulars of Unsecured Redeemable Non-convertible Debentures:				
Particulars	Quantity	Date of Redemption	As at March 31, 2022	As at March 31, 2021
5.00% - Face value 100000	1500	November 02, 2023	1,500.00	1,500.00
5.00% - Face value 100000	1800	November 03, 2024	1,800.00	-
Total			3,300.00	1,500.00
			As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
Note 7				
LONG TERM PROVISIONS				
Gratuity [Refer Note 31]			66.25	44.17
Employee Benefit			55.39	-
Total			121.64	44.17
Note 8				
OTHER LONG-TERM LIABILITIES				
Security deposit			192.66	68.97
Total			192.66	68.97
Note 9				
SHORT TERM BORROWINGS				
Current maturities of long-term debt [Refer Note 6]				
Term Loan - Secured				
From Banks			1,150.00	1,700.00
From others			3,111.58	537.27
Total			4,261.58	2,237.27



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 10

Trade Payables

Total outstanding due to Micro and Small Enterprises
Total outstanding of other than Micro and Small Enterprises

	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
	-	2.99
	24.93	122.31
Total	24.93	125.31

(A) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

- a) The amounts remaining unpaid to micro and small suppliers as at the end of the year
- Principal - 2.99
- Interest - -
- b) The amount of interest paid by the buyer as per the MSMED Act, 2006 - -
- c) The amounts of the payments made to micro and small suppliers beyond the appointed day: - -
- d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 - -
- e) The amount of interest accrued and remaining unpaid at the end of year - -
- f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. - -

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

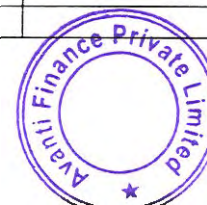
(B) Trade Payable aging

Trade Payable aging schedule as on 31 March 2022

Particulars	Unbilled dues	Outstanding for following periods from transaction				Total
		Less than 1 year	1-2years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	24.93	-	-	-	24.93
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Trade Payable aging schedule as on 31 March 2021

Particulars	Unbilled dues	Outstanding for following periods from transaction				Total
		Less than 1 year	1-2years	2-3 years	More than 3 years	
(i) MSME	-	2.99	-	-	-	2.99
(ii) Others	-	122.31	-	-	-	122.31
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-



Note 11
OTHER CURRENT LIABILITIES

Payable under assignment agreement [Refer Note 30]
Statutory dues payable
Interest Accrued but not due on borrowings
Advance received from Partners*
Provision for Lease liability
Expense accruals
Others

	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
	186.68	84.03
	177.04	60.27
	154.42	2.94
	150.00	-
	-	1.12
	178.02	160.24
	0.51	0.51
Total	846.67	309.11

Note:

*One of the partners of the company has allegedly misappropriated / siphoned collection/disbursement from borrowers to the extent of Rs.6.37 crores, out of which outstanding as at March 31, 2022 is Rs. 5.34 crore. Out of the outstanding amount, INR 1.5 crores has been received from the partner. However details of the borrower against whom such amounts have to be adjusted have not been provided by the partner. Due to pending receipt of such data, this amount has been presented above as "Other Current Liability". Further, of the total outstanding amount of INR 5.34 Cr, the company has written off 1.42 Cr and has provided 1.25Cr of additional provision as at March 31, 2022.

Note 12
SHORT TERM PROVISIONS

Statutory provision against Standard Assets
Provision for substandard assets
Gratuity [Refer Note 31]
Employees Benefit

	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
	122.29	122.29
	207.89	1,300.63
	4.70	2.19
	579.30	555.36
Total	914.18	1,980.46

Note:
Provision on Loans given to customer and Employee Benefit

Particulars	Provision on loan given to customer		Provision on Employee Benefit	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening	1,470.92	362.04	555.36	150.00
Addition	287.03	1,108.88	634.69	555.36
Reduction	1,427.77	0.00	555.36	150.00
Closing	330.18	1,470.92	634.69	555.36



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 13

Property, Plant & Equipment

Particulars	Gross Block				Accumulated Depreciation				(Rupees in Lakhs)
	As at April 1, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	Deductions during the year	As at March 31, 2022	Net Block As at March 31, 2022
Tangible assets									
Computers	42.26	37.68	-	79.95	24.50	13.32	-	37.82	42.13
	27.57	14.70	-	42.26	16.25	8.25	-	24.50	17.77
Furniture and Fixtures	10.31	1.03	-	11.34	7.32	1.36	-	8.68	2.66
	9.29	1.02	-	10.31	7.08	0.23	-	7.32	3.00
Office Equipment	8.88	1.48	-	10.36	8.41	0.18	-	8.59	1.78
	8.88	-	-	8.88	8.28	0.13	-	8.41	0.47
Electronic Equipment	13.42	25.51	-	38.93	13.42	25.51	-	38.93	-
	6.94	6.49	-	13.42	6.94	6.49	-	13.42	-
Server and Network equipment	6.50	-	-	6.50	1.26	1.08	-	2.35	4.15
	6.50	-	-	6.50	0.18	1.08	-	1.26	5.23
Total	81.38	65.70	-	147.07	54.90	41.45	-	96.36	50.72
<i>Previous Year</i>	<i>59.17</i>	<i>22.20</i>	<i>-</i>	<i>81.38</i>	<i>38.73</i>	<i>16.18</i>	<i>-</i>	<i>54.90</i>	<i>26.47</i>

Note:

1) Previous year figures are disclosed in italics.

2) The Company does not own any immovable property held in name of other entity.

3) The Company has not revalued any item of Property, Plant or Equipment during the year.



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 14

NON-CURRENT INVESTMENTS (UNQUOTED)

(i) In Wholly owned subsidiaries

Equity Shares of ₹ 10/- each fully paid-up:

3,95,16,107 shares (PY Nil) of Avanti Microfinance Investment private limited

Aggregate Cost of Unquoted Investments

Aggregate Cost of Quoted Investments

Aggregate Market Value of Quoted Investments

Note 15

LONG-TERM LOANS AND ADVANCES

Considered Good, Secured

Loans to customers

Considered Good, Unsecured

(a) Loans to customers

(b) Advance income-tax

(d) Prepaid expenses

Considered Doubtful, Unsecured

(a) Loans to customers

Note 16

OTHER NON CURRENT ASSET

(a) Security Deposit

Note 17

CASH AND CASH EQUIVALENTS

Balances with Banks

(i) In Current Accounts

(ii) In Deposit Accounts with original maturity less than 3 months

Note 18

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(i) In Deposit Accounts with original maturity more than 3 months

Note 19

SHORT-TERM LOANS AND ADVANCES

Considered Good, Secured

Loans to customers*

Considered Doubtful, Secured

Loans to customers

Considered Good, Unsecured

(a) Loans to customers*

(b) Prepaid expenses

(c) Advance to supplier

(d) Balances with Government Authorities (GST credit receivable)

Considered Doubtful, Unsecured

Loans to customers

Receivable from Partners

Less: Provision for receivable from Partners

Balances with Government Authorities (GST credit receivable)

Less: Provision for doubtful loans and advances (GST)

(The provision for GST Credit has been made as there are no taxable services are provided)

Note:

1) *Includes Interest Accrued and due amounting to Rs. 4,78,38,137 (PY Rs. 58,12,838)

Note 20

OTHER CURRENT ASSETS

Considered Good, Unsecured

(a) Interest Accrued but not due on Loans and Advances (Standard Assets)

(b) Accrued Interest on fixed deposits

(d) Others

	As at March 31, 2022 (Rupees in Lakhs)	As at March 31, 2021 (Rupees in Lakhs)
Total	3,951.61	-
Total	-	-
Total	-	-
Total	132.47	123.09
Total	11,270.67	2,891.15
Total	25.59	15.36
Total	-	10.94
Total	0.02	11.74
Total	11,428.75	3,052.28
Total	29.74	17.86
Total	29.74	17.86
Total	676.27	5,636.86
Total	1,643.23	250.10
Total	2,319.50	5,886.96
Total	49.65	-
Total	49.65	-
Total	2,258.76	658.15
Total	-	198.25
Total	23,763.50	5,229.44
Total	17.27	30.46
Total	491.78	512.00
Total	341.71	48.78
Total	1,112.13	1,155.39
Total	-	96.12
Total	-	(48.00)
Total	296.50	296.50
Total	-296.50	(296.50)
Total	27,985.15	7,880.59
Total	68.17	94.83
Total	1.76	1.18
Total	9.88	6.27
Total	79.82	102.28



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 21

Interest income

Interest income on Loans

Note 22

FEES AND COMMISSION INCOME

Processing fees

Service fee

Note 23

OTHER INCOME

Interest on

- Fixed deposits with bank

- Income tax refund

Insurance Receipts

Other Miscellaneous Income

Note 24

EMPLOYEE BENEFITS EXPENSES

Salaries and Wages

Gratuity [Refer Note 31]

Contribution to Provident Fund [Refer Note 31]

Staff Welfare Expenses

Note 25

FINANCE COST

Interest expense

Other borrowings cost

Note 26

PROVISION AND WRITE-OFF OF LOAN ASSETS

(a) Loan assets written off

(b) Provision on Loan assets

(c) Loan assets written off recovered

(d) Provisions for Loan assets written back

Note 27

OTHER EXPENSES

Legal and Professional Expenses

Payments to auditors (Refer note below)

Stamp duty and filing fees

Provision on Loans and Advances [GST]

Travelling, Conveyance and Food Expenses

Lodging & Boarding Expenses

Membership and Subscription

Bank Charges

Office Expenses

Recruitment expenses

Rent

Miscellaneous Expenses

Notes:

Payments to the auditors include:

(a) Statutory audit fee

(b) Tax audit fee



	For the year ended (Rupees in Lakhs)	For the year ended (Rupees in Lakhs)
	4,020.36	914.55
	4,020.36	914.55
	444.48	5.76
	15.02	5.09
Total	459.50	10.85
	43.56	25.36
	0.75	0.93
	0.36	1.05
	1.61	-
Total	46.27	27.34
	2,059.12	1,429.76
	24.59	14.71
	32.01	19.87
	46.28	16.43
Total	2,162.00	1,480.77
	1,158.84	484.98
	456.15	110.73
Total	1,614.99	595.72
	1,598.68	24.42
	287.03	1108.88
	(11.57)	0.00
	(1,427.77)	0.00
Total	446.38	1133.30
	758.01	357.31
	18.48	20.23
	132.26	107.24
	-	72.64
	49.07	6.06
	19.32	4.65
	30.30	27.17
	10.23	1.18
	24.85	18.84
	27.97	67.05
	29.68	31.57
	7.57	10.86
Total	1,107.73	724.81
	15.53	9.50
	2.94	10.73
Total	18.48	20.23

Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

	For the year ended March 31,2022	For the year ended March 31,2021
	(Rupees in Lakhs)	(Rupees in Lakhs)
Note 28 LEASING ARRANGEMENTS		
Future minimum lease rental payable under non-cancellable lease		
Not later than one year	-	21.96
later than one year but not later than three years	-	-
Total	-	21.96

Note 29 EXPENDITURE IN FOREIGN CURRENCY		
Payment towards software subscription	15.64	12.73
Total	15.64	12.73

Note 30

Related Party Transactions

(i) List of related parties and nature of relationship:

Nature of relationship	Name of related parties
Non-executive Director and promoter	Mr. Ratan Tata
Non-executive Director	Mr. Nandan Mohan Nilekani
Non-executive Director	Dr. Vijay Kelkar
Non-executive Director	Ms. Bindu Ananth
Entities having control over Avanti finance private limited	NRJN Family Trust
Wholly owned Subsidiary	Avanti Microfinance Private Limited (AMPL)
Key management personnel	Mr. Rahul Gupta (Chief Executive Officer)

Note: Related parties have been identified by the management and relied upon by auditors.

(ii) Details of related party transactions during the year are given below:-

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
	(Rupees in Lakhs)	(Rupees in Lakhs)
Issue of shares		
NRJN Family Trust [Refer Note 1]	551.61	560.90
Mr. Ratan Tata	900.00	-
Unsecured loan taken		
NRJN Family Trust	-	2,000.00
Assignment transactions		
Assignment of Loan portfolio to AMPL	936.12	677.51
Service fee income on assigned Loan from AMPL	15.02	5.09
Collection amount paid to AMPL for assigned Loan	399.52	254.49
Remuneration to key management personnel [Refer Note 2]		
Mr. Rahul Gupta	348.88	347.63
Reimbursement of expenses to key management personnel		
Mr. Rahul Gupta	2.15	2.15
Employee stock options		
Mr. Rahul Gupta [Refer Note 3]	-	-
Guarantee received		
The Subsidiary Company has provided guarantee to Catalyst Trusteeship Limited towards issuance of Non convertible debentures for an amount of Rs. 100,00,00,000 by Holding Company. Currently Holding company has issued non convertible debenture of Rs. 87,00,00,000 out of total sanctioned amount.	-	-

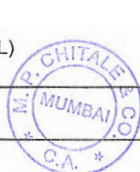
Note 1: Company has issued equity shares amounting to Rs. Nil (PY Rs. 26,09,00,000) to NRJN Family Trust against the loan.

Note 2: Expense towards gratuity cannot be determined employee wise since the provision is based on the actuarial valuation of the company as a whole, hence the same have not been considered in above disclosure.

Note 3: 75,00,000 Number of Employee stock options was granted to Mr. Rahul Gupta during financial year 2020-21.

(iii) Related Party Closing balances

Particulars	As at March 31,2022 (Rupees in Lakhs)	As at March 31,2021 (Rupees in Lakhs)
Equity share capital		
NRJN Family Trust	13,128.67	12,577.06
Dr. Vijay Kelkar	87.46	87.46
Mr. Ratan Tata	1,687.09	787.09
Assignment		
Collections held by assignor (AFPL)	186.68	84.03
Amounts receivable from AMPL	3.91	0.83



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 31

Disclosure in respect of Employee Benefit

a) The Company has recognised in the Statement of Profit and Loss for the year ended March 31, 2022 an amount of Rs. 32,01,000/- (P.Y. Rs.19,86,662) payment towards provident fund as a defined contribution plan.

b) Defined Benefit Plan

General description of the plan Gratuity:

Gratuity is payable to all eligible employees of the Company on resignation, death, permanent disablement in terms of the company's gratuity scheme.

		(Rupees in Lakhs)	
Particulars		Gratuity March 31, 2022	Gratuity March 31, 2021
(A)	Change in defined benefit obligation		
	Liability at the beginning of the year	46.35	31.64
	Interest cost	4.06	2.76
	Current service cost	16.33	13.61
	Actuarial loss/(gain) on obligation	4.20	(1.66)
	Past Service Cost	-	-
	Benefits Paid	-	-
	Liability at the end of the year	70.94	46.35
(B)	Amount Recognised in the Balance Sheet		
	Liability at the end of the year	-	-
	Fair Value of Plan Assets at the end of the year	-	-
	Present value of unfunded obligation	70.94	46.35
	Unrecognised Past service cost	-	-
	Amount Recognised in the Balance Sheet	70.94	46.35
(C)	Expenses Recognised in the statement of Profit and Loss		
	Current Service cost	16.33	13.61
	Interest cost	4.06	2.76
	Net Actuarial Loss/(gain) to be recognized	4.20	(1.66)
	Past Service Cost	-	-
	Expenses Recognised in Statement of Profit and Loss	24.59	14.71
(D)	Actuarial Assumptions		
	Discount Rate (p.a.)	6.90%	6.60%
	Salary Increment Rate (p.a.)	10.00%	10.00%

Sensitivity analysis

(Rupees in Lakhs)

Assumptions	Discount rate impact		Salary escalation impact	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined obligation plan	(2.30)	2.44	1.28	(1.23)

Expected benefit payments for future years (Rupees in Lakhs)

With in next 12 months	4.70
Between 1 to 5 years	29.66
5th year onwards	90.05
Total	124.41



[Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016]

Liabilities side		As at March 31, 2022		As at March 31, 2021	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	-	-	-	-
(a)	Debentures : Secured	11,700.00	-	-	-
	: Unsecured	3,300.00	-	1,500.00	-
	(other than falling within the meaning of public deposits*)	-	-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	11,160.55	-	4,790.21	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits*	-	-	-	-
(g)	Other Loans (specify nature)	-	-	-	-
	* Please see Note 1 below	-	-	-	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :	-	-	-	-
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-
	* Please see Note 1 below	-	-	-	-
Assets side		Amount outstanding		Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	-	-	-	-
(a)	Secured	-	2,391.23	-	979.48
(b)	Unsecured	-	36,146.32	-	9,287.71
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	-	-	-	-
(i)	Lease assets including lease rentals under sundry debtors :	-	-	-	-
(a)	Financial lease	-	-	-	-
(b)	Operating lease	-	-	-	-
(ii)	Stock on hire including hire charges under sundry debtors :	-	-	-	-
(a)	Assets on hire	-	-	-	-
(b)	Repossessed Assets	-	-	-	-
(iii)	Other loans counting towards asset financing activities	-	-	-	-
(a)	Loans where assets have been repossessed	-	-	-	-
(b)	Loans other than (a) above	-	-	-	-



(5)	Break-up of Investments							
	Current Investments							
	1.	Quoted						
		(i)	Shares		-	-		
			(a) Equity		-	-		
			(b) Preference		-	-		
		(ii)	Debentures and Bonds		-	-		
		(iii)	Units of mutual funds		-	-		
		(iv)	Government Securities		-	-		
		(v)	Others (please specify)		-	-		
	2.	Unquoted						
		(i)	Shares					
			(a) Equity		-	-		
			(b) Preference		-	-		
		(ii)	Debentures and Bonds		-	-		
		(iii)	Units of mutual funds		-	-		
		(iv)	Government Securities		-	-		
		(v)	Others (please specify)		-	-		
	Long Term investments							
	1.	Quoted						
	(i)	Share		-	-			
		(a) Equity		-	-			
		(b) Preference		-	-			
	(ii)	Debentures and Bonds		-	-			
	(iii)	Units of mutual funds		-	-			
	(iv)	Government Securities		-	-			
	(v)	Others (please specify)		-	-			
2.	Unquoted							
	(i)	Shares						
		(a) Equity		3,951.61	-			
		(b) Preference		-	-			
	(ii)	Debentures and Bonds		-	-			
	(iii)	Units of mutual funds		-	-			
	(iv)	Government Securities		-	-			
	(v)	Others (please specify)		-	-			
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below							
	Category		Amount net of provisions		Amount net of provisions			
			Secured	Unsecured	Total	Secured	Unsecured	Total
	1.	Related Parties **						
		(a) Subsidiaries	-	-	-	-	-	-
		(b) Companies in the same group	-	-	-	-	-	-
		(c) Other related parties	-	-	-	-	-	-
	2.	Other than related parties	2,385.15	35,822.22	38,207.37	1,210.21	5,012.32	6,222.53
	Total		2,385.15	35,822.22	38,207.37	1,210.21	5,012.32	6,222.53
	(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below						
Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)			
1.		Related Parties **						
		(a) Subsidiaries	2,811.90	3,951.61	-	-		
		(b) Companies in the same group	-	-	-	-		
		(c) Other related parties	-	-	-	-		
2.		Other than related parties	-	-	-	-		
Total								
** As per Accounting Standard of ICAI (Please see Note 3)								
(8)		Other information						
	Particulars		Amount		Amount			
	(i)	Gross Non-Performing Assets (Refer Note 4)						
		(a) Related parties						
		(b) Other than related parties	1,112.15		1,264.70			
	(ii)	Net Non-Performing Assets						
		(a) Related parties						
		(b) Other than related parties (Refer Note 5)	781.97		120.99			
	(iii)	Assets acquired in satisfaction of debt						
	Notes :							
1. As defined in point xix of paragraph 3 of Chapter -2 of these Directions.								
2. Provisioning norms shall be applicable as prescribed in these Directions.								
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.								
4. All Loans where Days past due is greater than 90 Days is considered as Non-Performing Assets								
5. Net Non-Performing Assets is Rs. NIL for P.Y. because 100% provision has been made for Non-Performing Assets								



(9) Restructured account details

Particulars*	Standard	Sub-Standard	Doubtful	Loss	Total
1 Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	1,177	-	-	-
	Amount outstanding	151.37	-	-	-
	Provision thereon	0.38	-	-	-
2 Fresh restructuring during the year	No. of borrowers	511	-	-	-
	Amount outstanding	196.22	-	-	-
	Provision thereon	0.49	-	-	-
3 Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
4 Restructured standard advances which cease to attract higher provisioning and / or additional risk	No. of borrowers	-	-	-	-
	Amount outstanding	-	-	-	-
	Provision thereon	-	-	-	-
5 Downgradations of restructured accounts during the FY	No. of borrowers	-	792	-	-
	Amount outstanding	-	79.05	-	-
	Provision thereon	-	7.91	-	-
5 Write-offs of restructured accounts during the FY	No. of borrowers	133	316	-	-
	Amount outstanding	5.46	36.42	-	-
	Provision thereon	0.01	3.64	-	-
6 Restructured Accounts as on March 31 of the FY (closing figures)*	No. of borrowers	763	476	-	-
	Amount outstanding	79.90	42.63	-	-
	Provision thereon	0.20	4.26	-	-

Note:

*Company has not done any Corporate debt restructuring and SME debt restructuring as at March 31, 2022

(10) Public disclosure on liquidity risk

a. Funding Concentration based on significant counterparty (both deposit and borrowings)

No. of Significant Counterparties	Amount	% of Total Liabilities*
7	25,956.13	85%

b. Top 10 borrowings (amount in Rupees and % of total borrowings)

Amount	% of Total Borrowings
28,506.13	100%

c. Funding concentration based on significant instrument / product:

Sr No	Name of the instrument #	Year ended March 31, 2022	% of Total Liabilities*
1	Term Loan	11,006.13	36%
2	Non-Convertible Debentures (secured and unsecured)	15,000.00	49%
3	Compulsorily convertible debentures	2,500.00	8%

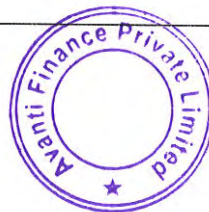
Principal Outstanding as on 31st March 2022 * Total liability excludes equity

d. Stock Ratios:

Other short-term liabilities, if any as a % of total public funds, total external liabilities and total assets

Particular	As at March 31, 2022	As at March 31, 2021
Other Short-term Liability	846.67	309.11
Total external Liability	30,606.20	13,315.28
% of total Liability	2.77%	2.32%
Total Asset	45,894.95	16,966.44
% of Total Asset	1.84%	1.82%

* Total external liability excludes equity



Note 33 Disclosures on Employee share based payments

Note	Particulars																																																											
33	Employee Stock Option Scheme																																																											
a)	In the extraordinary general meeting held on January 14, 2021, the shareholders approved the issue of Employee stock options under the Scheme titled " 2020 Avanti Employee Stock Option Plan" (ESOP A). The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share. As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The exercise price of each option is Rs. 10 per share or such price/s as may be determined by the Compensation Committee in the event of 'Change in Capital Structure' or 'Corporate Action'. The options granted vest over a period of 1 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 4 years of vesting. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.																																																											
b)	Employee stock options details as on the balance sheet date are as follows: <table><tr><th rowspan="2">Particulars</th><th colspan="2">During the year ended 31 March, 2022</th><th colspan="2">During the year ended 31 March, 2021</th></tr><tr><th>Options (Numbers)</th><th>Weighted average exercise price per option (Rs.)</th><th>Options (Numbers)</th><th>Weighted average exercise price per option (Rs.)</th></tr><tr><td>Option outstanding at the beginning of the year: - ESOP A</td><td>3,55,10,000</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Granted during the year: - ESOP A</td><td>-</td><td>10</td><td>3,55,10,000</td><td>10</td></tr><tr><td>Exercised during the year: - ESOP A</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Lapsed during the year: - ESOP A</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Forfeited during the year: - ESOP A</td><td>18,92,187</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Options outstanding at the end of the year: - ESOP A</td><td>3,36,17,813</td><td>10</td><td>3,55,10,000</td><td>10</td></tr><tr><td>Vested during the year: - ESOP A</td><td>1,72,07,190</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Options available for grant: - ESOP A</td><td>1,63,82,187</td><td>10</td><td>1,44,90,000</td><td>10</td></tr><tr><td>The weighted average share price at the date of exercise for stock options</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Range of exercise price for options outstanding at the end of the year</td><td>-</td><td>10</td><td>-</td><td>10</td></tr></table>	Particulars	During the year ended 31 March, 2022		During the year ended 31 March, 2021		Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)	Option outstanding at the beginning of the year: - ESOP A	3,55,10,000	-	-	-	Granted during the year: - ESOP A	-	10	3,55,10,000	10	Exercised during the year: - ESOP A	-	-	-	-	Lapsed during the year: - ESOP A	-	-	-	-	Forfeited during the year: - ESOP A	18,92,187	-	-	-	Options outstanding at the end of the year: - ESOP A	3,36,17,813	10	3,55,10,000	10	Vested during the year: - ESOP A	1,72,07,190	-	-	-	Options available for grant: - ESOP A	1,63,82,187	10	1,44,90,000	10	The weighted average share price at the date of exercise for stock options	-	-	-	-	Range of exercise price for options outstanding at the end of the year	-	10	-	10
Particulars	During the year ended 31 March, 2022		During the year ended 31 March, 2021																																																									
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)																																																								
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Granted during the year: - ESOP A	-	10	3,55,10,000	10																																																								
Exercised during the year: - ESOP A	-	-	-	-																																																								
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The weighted average share price at the date of exercise for stock options	-	-	-	-																																																								
Range of exercise price for options outstanding at the end of the year	-	10	-	10																																																								

Note:

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	Range
1. Risk free interest rate (%)	6.00%
2. Expected life	3 years
3. Expected volatility (%)	30.00%

The compensation cost of stock options granted to employees has been accounted by the Company using the intrinsic value method. Had the compensation cost for the Company's stock based compensation plan been determined as per fair value approach (calculated using Black Scholes Options Pricing Model), the Company's Loss would be higher by Rs 4,83,52,204 (Previous Year: Profit after Tax lower by Rs. 0) and profit per share as reported would be lower as indicated below:

Particulars	2022	2021
Profit/(Loss) after tax	(2,914)	(4,094)
Add: Total stock based compensation expense under intrinsic value based method	-	-
Less: Total stock based compensation expense determined under fair value based method	483.52	-
Adjusted net profit/(loss)	(3,397.58)	(4,094)
Basic loss per share (in Rs.)		
- As reported	(2.02)	(4.28)
- Adjusted	(2.35)	(4.28)
Diluted profit/(loss) per share (in Rs.)		
- As reported	(2.02)	(4.28)
- Adjusted	(2.35)	(4.28)



Avanti Finance Private Limited

Notes forming part of financial statements (continued...)

Note 34

Basic and Diluted earnings per share (EPS)

Particulars	For the year ended March 31.2022	For the year ended March 31.2021
Profit/(Loss) after tax attributable to equity shareholders	(2,914.04)	(4,094.42)
No of Weighted Average Equity Shares outstanding during the period(Basic)	1,443.79	956.61
No of Weighted Average Equity Shares outstanding during the period ((including dilutive potential equity shares))	2,785.17	355.10
Total number of equity share outstanding at end of year	1,490.32	1,345.16
Nominal Value of Equity Shares (in `)	10.00	10.00
Basic profit/(loss) per share (in `)	(2.02)	(4.28)
Diluted profit/(loss) per share	(2.02)	(4.28)

Note:

The effect of conversion of 0.001% Non-Cumulative Compulsorily Convertible Non-Redeemable Preference Shares, Compulsorily Convertible Debentures and Employee Stock options while computing loss per share for the year ended 31.03.2022 were anti-dilutive, hence not considered.

Note 35

The company operates as a Non-Banking Finance Company, to provide on lease, leave and license, or hire purchase basis or on any other basis, and to undertake and or arrange or syndicate all types of business relating to financing social sector, consumers, individuals, industry and corporates financing for all kinds of plant, equipment, machinery, vehicles and any other moveable and immovable properties. These, in the context of Accounting Standard 17 on Segment Reporting, are considered to constitute one single primary segment. Further, business of the Company is within India, hence, there is no geographical segment. Accordingly, disclosure of information as per AS-17 is not required.

Note 36 Capital commitment and Contingent Liability

(a) **Capital commitment:** Commitment towards contracts remaining to be executed on capital accounts as at March 31, 2021 is Rs. Nil (P.Y. Rs.Nil).

(b) **Contingent liabilities:** Claims against Company not acknowledged as debts as at March 31, 2021 is Rs. Nil (P.Y. Rs.Nil)

Note 37

Additional Regulatory Information under MCA Notification dated March 24, 2021

a. **Details of Benami Property held:** There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

b. **Additional information where borrowings are from banks or financial institutions:**

(i) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions, wherever required as per term sheet for the quarter ended June 21, Sept 21 and Dec 21 are in agreement with the books of accounts. Further for quarter ended Mar 22 the company has filed the provisional return and statement which will be revised subsequently based on audited numbers:

(ii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the balance sheet date.

c. **Willful Defaulter:** The Company has not been declared as Willful Defaulter by any Bank or Financial institution or other Lender.

d. **Relationship with Struck off Companies :** During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

e. **Registration of charges or satisfaction with Registrar of Companies (ROC):** In case of borrowings, there are no charges or satisfaction pending for registration with ROC beyond the statutory period.

f. **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

g. Ratios:

S.No	Particular	March 2022	March 2021	% of Change
a	Current Ratio	5.03	2.98	69%
b	Debt Equity Ratio	1.68	1.72	8%
c	Debt Service Coverage Ratio	-2.51	-8.44	70%
d	Return on Equity	-19%	-112%	83%
e	Inventory Turnover Ratio	NA	NA	
f	Trade Receivables Turnover Ratio	NA	NA	
g	Trade Payables Turnover Ratio	NA	NA	
h	Net Capital Turnover Ratio	16.49%	10%	66%
i	Net Profit Ratio	-72.48%	-448%	84%
j	Return on Capital Employed	-3.89%	-25%	84%
k	Return on Investment	-75.26%	-	100%

Details of Items included in Ratio computation

S.No	Particular	Particular
a	Current Ratio	Current assets/Current Liability
b	Debt Equity Ratio	Total Debt/Shareholders Equity
c	Debt Service Coverage Ratio	Earnings available for debt services/Debt Services
d	Return on Equity	Net Profits after taxes - Preference Dividend (if any)/Average Shareholder's Equity
e	Inventory Turnover Ratio	Company does not have Inventory to calculate these ratio
f	Trade Receivables Turnover Ratio	Company does not have Trade Receivable to calculate these ratio
g	Trade Payables Turnover Ratio	Company does not have net credit purchase to calculate these ratio
h	Net Capital Turnover Ratio	Revenue from Operation/Average Working Capital
i	Net Profit Ratio	Net operating Income / Revenue from Operation
j	Return on Capital Employed	Net Operating Income / (Total Assets - Current Liabilities)
k	Return on Investment	MV(T1)-MV(T0)/MV(T0)

Explanation shall be provided for any change in the ratio by more than 25% as compared to the preceeding year

a	Current Ratio	The company's loan assets is increased due to increased business and accordingly Current assets is on a higher side, which is resulting in increased current ratio
b	Debt Service Coverage Ratio	Total debt of the Company has increased as well as due to improved business net operating loss has decreased, which is resulting in change of Debt service coverage ratio by more than 25%
c	Return on Equity	Due to further investments in equity of the company and decreased net operating loss, the negative return equity has decreased by more than 25%
d	Net Capital Turnover Ratio	Due to increased business during the Financial year, revenue from operation has increased which is resulting in better net capital turnover ratio
e	Net Profit Ratio	Due to increased business during the Financial year, revenue from operation has increased and net operating is decreased, which is resulting in change of net profit ratio by more than 25%
f	Return on Capital Employed	Further investments and improved business is resulting in decreased negative return on capital employed



h. Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year

i. Utilisation of Borrowed funds and share premium: During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i). No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; (ii). No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

j. Undisclosed Income: The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

k. Details of Crypto Currency or Virtual Currency: The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 38

The Company ('the assignor') has entered into loan assignment agreements with Avanti Microfinance Private Limited ('the assignee') for a consideration of Rs. 9,36,12,200. Accordingly, a total loan portfolio of 4,146 loans have been transferred by the Company.

On the payment of the purchase consideration by the Assignee, the assignor sells, transfers, assigns and conveys, to the assignee and the assignee acquires the receivables from the assigned assets together with all rights, title and interest therein such that the assignee will hereafter be deemed to be the legal owner of the assigned assets except the rights that are personal in nature or which form a part of the retained shared as required by extant RBI regulations. The assignee assumes all responsibilities and liabilities of the assignor with respect to or in connection with assigned assets, under or pursuant to the underlying documents. The underlying documents are continuing in the name of the assignor. The assignor will only be an agent for the purposes of managing, collecting, and receiving payment of the receivables from the assigned assets for which the assignor will get service fees.

Note 39

The figures of the previous year have been regrouped / restated wherever necessary to correspond with those of the current year.

Signature to Notes 1 to 39

In terms of our report attached

For and on behalf of the Board of Directors

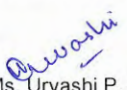
For **M. P. Chitale & co.**
Chartered Accountants


Mr. Nandan Mohan Nilekani
Director
DIN: 00041245


Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Murtuza Vajih
Partner




Ms. Urvashi P. Bahirsheth
Company Secretary
M. No. A37475



Place: Mumbai

Date: July 13, 2022