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ANNUAL REPORT

AVANTI FINANCE PRIVATE LIMITED

2023-2024

AVANTI FINANCE PRIVATE LIMITED

Regd. Off.: # 2727, 2nd floor, 1st Main Road, HAL 3rd Stage, Ward no 58 (Old no 83) New Thippasandra,
Bangalore, Bangalore North, Karnataka, India - 560075

Toll Free Number - 1800 309 5021 | Email: info@avantifinance.in | Web: www.avantifinance.in

CIN: U65929KA2016PTC138355



NOTICE

NOTICE is hereby given that the Eighth 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 27, 2024 at 11.00 a.m. IST** to transact the following business.

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, 2024 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2024 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."

2. **To appoint M/s Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as the statutory auditors of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors, M/s Varma & Varma, Chartered Accountants (Firm registration number 004532S), be and are hereby appointed as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting held for the financial year ended March 31, 2024 till the conclusion of the 3rd consecutive Annual General Meeting for the financial year ending March 31, 2027 on such remuneration and out of pocket expenses as may be fixed by the Board of Directors in consultation with the Auditors;

RESOLVED FURTHER THAT each of the Directors of the Company and/or the Company Secretary be and is hereby authorized for and on behalf of the Company, to do all such acts, deeds and things as may be required to give effect to the foregoing resolution, including filing

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of requisite e-forms with the Registrar of Companies and to sign, issue and deliver a certified true copy of the foregoing resolution to any concerned authority or person, as may be required.”

SPECIAL BUSINESS

3. To take note of appointment of Mr. Anirudh Jagdish Sarda (DIN: 06453012), as Nominee Director of the Company

Mr. Anirudh Jagdish Sarda was appointed as nominee director of the Company at the meeting of the Board held on February 07, 2024.

The members are requested to take note of the same.

4. To take note of appointment of Mr. Jeroen Bart Nicolaas Meerburg (DIN: 10684231), as Nominee Director of the Company

Mr. Jeroen Bart Nicolaas Meerburg was appointed as nominee director of the Company at the meeting of the Board held on August 24, 2024.

The members are requested to take note of the same.

5. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company

*To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:*

“RESOLVED THAT pursuant to the provisions of Section 5 and Section 14 and all other applicable provisions of the Companies Act, 2013 (“Act”) and Companies (Incorporation) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the shareholders of Avanti Finance Private Limited (“Company”) be and is hereby accorded to amend and restate the existing articles of association of the Company in terms of the shareholders’ agreement dated August 27, 2024 (“SHA”) executed amongst the Company, Avanti Microfinance Private Limited, Rabo Partnerships B.V., IDH Farmfit Fund B.V, OikoCredit, Ecumenical Development Cooperative Society U.A., Bill & Melinda Gates Foundation, Nomura Capital (India) Private Limited, Wao Partners LLP, MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, with the amended and restated articles of association as placed before the shareholders, and such amended and restated articles of association be adopted as the articles of association of the Company, in substitution for and to the exclusion of all the previous articles of association of the Company;

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RESOLVED FURTHER THAT each of Directors of the Company or the Company Secretary be and are hereby severally authorised to sign, submit, file the necessary documents and do all such acts, deeds and things arising out of or in connection with the foregoing resolution, including without limitation, filing Form MGT-14 with the jurisdictional Registrar of Companies and signing, issuing and delivering a certified true copy of the foregoing resolution to any concerned persons and making necessary filings with any authorities, as may be required.”

6. **To: (a) approve the issuance of Series B2 Tranche 2 Subscription Securities in accordance with applicable law;**
(b) approve the draft of the private placement offer cum application letter for issuance of Series B2 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B2 CCPS Offer Letter');
(c) authorise the Directors to issue and execute the Offer Letter

*To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:*

“RESOLVED THAT pursuant to the provisions of Sections 42, 55, 62(1)(c) and other applicable provisions of the Companies Act, 2013 read with Rules 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the rules framed thereunder, the applicable regulations, notifications, circulars, master circulars etc. issued by the Reserve Bank of India (the ‘RBI’) under the Foreign Exchange Management Act, 1999, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the memorandum and articles of association of Avanti Finance Private Limited (‘Company’), the consent of the members of the Company is hereby accorded to the terms and conditions as set out under the Series B2 securities subscription agreement to be entered into between the Company, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited (‘Series B2 SSA’), the approval of the shareholders of the Company be and is hereby granted for offer and issue of 1,12,03,879 Series B2 compulsorily convertible preference shares (‘Series B2 CCPS’) of face value of INR 10 (Indian Rupees Ten only) per Series B2 CCPS, on the terms and conditions as mentioned in the Series B2 SSA, aggregating to INR 35,52,75,003.09/- (Indian Rupees Thirty Five Crores Fifty Two Lakhs Seventy Five Thousand Three Rupees and Nine Paise), in physical form on a private placement basis to the following identified subscribers:

Name and Details of the Subscribers	Type of Security	Number of Securities	Total Amount (in INR)
NRJN Family Trust	Series B2 CCPS	29,44,655	9,33,75,010.05

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Rabo Partnerships B.V.	Series B2 CCPS	17,66,793	5,60,25,006.03
IDH Farmfit Fund B.V.	Series B2 CCPS	29,44,655	9,33,75,010.05
Mr. Kewal Krishan Nohria	Series B2 CCPS	7,09,555	2,24,99,989.05
Mr. Ajay Kumar Aggarwal	Series B2 CCPS	14,19,111	4,50,00,009.81
Mr. Rajat Goenka	Series B2 CCPS	7,09,555	2,24,99,989.05
Sak Industries Private Limited	Series B2 CCPS	7,09,555	2,24,99,989.05

RESOLVED FURTHER THAT pursuant to requirements of Rule 9(2) of Companies (Share Capital and Debentures) Rules, 2014 the following are the rights, terms & conditions and other details with respect to the said Series B2 CCPS:

1.1. Each Series B2 CCPS, so issued and allotted shall be a fully paid-up compulsorily convertible preference share of the Company having a face value of INR 10 (Indian Rupees Ten only) and shall be subject to terms of the Shareholders' Agreement and other Transaction Documents and that provisions relating to redemption of preference shares will not be applicable since the said Series B2 CCPS are compulsorily convertible in nature.

1.2. Dividend:

- (i) Each holder of Series B2 CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Series B2 CCPS held by such holder of Series B2 CCPS, *pari passu* to holders of Series A CCPS, Series A1 CCPS, Bridge CCPS, Series B CCPS and Series B1 CCPS and in preference and priority to the payment of any dividend in respect of all Equity Shares. In the event that the preference dividends exceed the return permitted under Applicable Law, the dividends or other distributions to the holders of the Securities would also be capped accordingly.
- (ii) In the event the profits available for distribution are not sufficient to pay the full amount of the dividend due for payment in any financial year, then such unpaid dividend shall be accumulated and shall be payable in the following financial year, to the extent the Company has profits available for distribution.
- (iii) Without prejudice to the foregoing and in addition to the same, if dividend is declared on the Equity Shares or any other class of Securities, other than CCPS, whether in excess of 0.001% per annum or not, the holders of Series B2 CCPS shall be entitled to participate in such dividend on a *pari passu* basis along with the holders of the Equity Shares or any other class of Securities on an 'as if converted' basis, along with holders of Series A CCPS, Series A1 CCPS, Bridge CCPS, Series B CCPS and Series B1 CCPS.

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- (iv) Upon conversion of the Series B2 CCPS into Equity Shares, holders of Series B2 CCPS shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of Equity Shares.
- (v) The amount payable as dividend on Series B2 CCPS in any financial year shall be the amount that has accrued since the day on which the last dividend was paid from the date of issue of the Series B2 CCPS.

1.3. Conversion of Series B2 CCPS:

- (i) Conversion Ratio: Each Series B2 CCPS shall be convertible into 1 (one) Equity Share of the Company at the option of the holders of Series B2 CCPS, subject to adjustments on a proportionate basis for stock splits, consolidations, stock dividends, bonus shares, recapitalisations and other similar occurrences.
- (ii) Compulsory Conversion: Each Series B2 CCPS shall automatically convert into Equity Shares of the Company in accordance with the conversion ratio provided in Paragraph 1.3(i) above, 1 (one) day prior to expiry of 20 (twenty) years from the date of its issuance and allotment ("**Compulsory Conversion Event**"). It is hereby clarified that the Series B2 CCPS shall not compulsorily convert into equity shares in any event other than the Compulsory Conversion Event.
- (iii) Notice of Conversion: Each holder of Series B2 CCPS shall provide a written communication to the Company regarding the exercise of its option to convert Series B2 CCPS held by it into Equity Shares of the Company.

Provided however that –

- (a) in the event the conversion into Equity Shares as contemplated under this Paragraph 1.3 is not permitted under Applicable Law, the Parties shall forthwith take all necessary steps (including waiving their statutory entitlements) to implement an alternate mechanism permissible under Applicable Law to give substantively the same effect as would have been available to the holders of Series B2 CCPS if such conversion into Equity Shares was permissible under Applicable Law;
- (b) the conversion into Equity Shares as contemplated under this Paragraph 1.3 shall be proportionately and appropriately adjusted (as required) for any Adjustment Event;
- (c) no fractional shares shall be issued upon conversion of the Series B2 CCPS and the total number of Equity Shares to be issued post conversion of the Series B2 CCPS shall, subject to Applicable Law, be rounded off to the nearest whole number;
- (d) upon conversion of the Series B2 CCPS, the holders of Series B2 CCPS shall be issued Equity Shares and shall not be required at the time of conversion of Series B2

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CCPS into Equity Shares to pay any amount to the Company towards such Equity Shares; and

- (e) All Equity Shares issued as a result of conversion of Series B2 CCPS shall be free and clear of all encumbrances and shall rank *pari passu* with the outstanding Equity Shares.
- (iv) Conversion Actions: Upon receipt of a written communication from a holder of Series B2 CCPS of its intention to convert Series B2 CCPS held by it into Equity Shares or upon occurrence of the Compulsory Conversion Event, the Company shall take all actions necessary to effectuate the conversion of the Series B2 CCPS into fully paid up Equity Shares including but not limited to: (a) holding a Board meeting to authorise the issue of fully paid up Equity Shares to relevant holder of Series B2 CCPS; (b) issuing and delivering to the relevant holder of Series B2 CCPS, certificates for the number of Equity Shares to which it is entitled upon such conversion; (c) the cancellation of the share certificates and/or any other instrument representing such Series B2 CCPS; (d) registering the names of the relevant holder of Series B2 CCPS as the legal and beneficial owner of the Equity Shares in the statutory registers of the Company; and (e) doing all such reporting and filings with the relevant Governmental Authority as required under Applicable Law for the conversion of Series B2 CCPS into Equity Shares.
- (v) Senior rights: The senior rights and liquidation preference specified in Clause 11 of the Shareholders' Agreement shall be available to the holders of Series B2 CCPS both at the time when the Series B2 CCPS held by them continue as such, or when the same are converted into Equity Shares in accordance with the provisions of the Shareholders' Agreement.
- (vi) Each Series B2 CCPS shall have voting rights equivalent to 1 (one) Equity Share of the Company ("**CCPS Voting Ratio**"):

Provided that if pursuant to Applicable Law or for any other reason, the Company is unable to recognise the voting rights (as provided above) of the holders of Series B2 CCPS, the Founders and the other Shareholders holding Equity Shares shall exercise such portion of their voting rights (as attached to their Equity Shares) commensurate with the voting rights attributable to the Series B2 CCPS (per the CCPS Voting Ratio) in the manner instructed by the Series B2 CCPS holders. The obligation of the Founders and such other Shareholders to exercise their voting rights as aforesaid shall be *pro-rated* in accordance with their *inter se* shareholding in the Company. In any general meeting of the Company, the calculation of votes in respect of any matter placed before the Shareholders shall not be complete unless the votes of the holders of Series B2 CCPS (pursuant to exercise of voting rights by the Founders and other Shareholders on the instructions of the Series B2 CCPS holders in the manner set out hereinabove) are counted.

- 1.4. In the event that the proposed conversion of Series B2 CCPS pursuant to Paragraph 1.3 above triggers the requirement of receiving prior RBI approval in terms of the NBFC

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Master Directions and/or such other directions, regulations or circulars as may be issued by RBI in relation to governance of NBFCs, the Company shall, prior to such conversion, undertake all such actions as may be reasonably required and relevant holders of Series B2 CCPS shall provide all such information and execute all such documents as may be reasonably required to obtain such approval from RBI.

1.5. The Series B2 CCPS shall be freely transferable in accordance with and subject to the restrictions set out in the Shareholders' Agreement.

RESOLVED FURTHER THAT the valuation report dated August 23, 2024, submitted by CA Milan Rupchandani, the registered valuer appointed in accordance with Section 247 of the Companies Act, 2013 as placed before the members of the Company be and is hereby taken on record;

RESOLVED FURTHER THAT the draft private placement letter of offer in Form PAS-4 ("Offer Letter"), Form PAS-5 ("Offer Record") and application form and other related documents for the issuance of the Subscription Securities as fully paid-up, on a preferential cum private placement basis be and is hereby approved to be issued to NRJN Family Trust, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka and Sak Industries Private Limited;

RESOLVED FURTHER THAT the Company hereby records the name of NRJN Family Trust, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka and Sak Industries Private Limited and maintains the Offer Record in respect of the issuance of the Subscription Securities;

RESOLVED FURTHER THAT in respect of the issuance of the Series B2 Subscription Securities, Ms. Urvashi P. Bahirsheth, Company Secretary be and is hereby authorized to prepare, finalise, amend, sign and circulate Series B2 CCPS Offer Letter, determine, open and close the offer period, allot the Series B2 CCPS, maintain complete records of the private placement offers in Form PAS-5 and file other necessary forms, documents etc. with the relevant registrar of companies, the RBI and all the other regulators, authorities and intermediaries involved in the said offer, issue and allotment;

RESOLVED FURTHER THAT each of the Directors of the Company, Mr. Manish Thakkar, Chief Operating Officer, Mr. Sunil Kumar Tadepalli, Chief of Partnerships, Mr. Nagaraj Subrahmanya, Chief Risk Officer, Ms. Urvashi P. Bahirsheth, Company Secretary, Mr. Darshil Mehta, Authorised Signatory, Ms. Sahana Nagesh, Authorised Signatory (the "Authorised Signatories") be and are hereby severally authorised to:

- i. negotiate and finalise the timing, terms and conditions of the Series B2 CCPS to be issued pursuant to the Series B2 SSA, to the Subscribers together with all other documents, agreements, instruments, letters and writings required including but not limited to IDH Farmfit Fund B.V. Side Letter, the Disclosure Letters in connection with, or ancillary to, the Series B2 SSA and for allotment of the Series B2 CCPS, as may be necessary or required for the

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- aforesaid purpose including to sign and / or dispatch all forms, filings, documents and notices to be signed, submitted and / or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Series B2 SSA and the Shareholders' agreement ("SHA") (collectively, the "Transaction Documents"), the ancillary documents and other deeds, documents and other writings as and when necessary and to take all such further steps as may be required to give effect to the aforesaid resolutions;
- ii. obtain all necessary authorizations from governmental authorities and / or third parties required in connection with the transactions contemplated under the Series B2 SSA and complete all formalities in respect thereto;
 - iii. file with the relevant Registrar of Companies and any other regulator or body all particulars in respect of the proposed issuance of the Series B2 CCPS, as may be required, in the prescribed forms;
 - iv. arrange for payment of the applicable stamp duty in respect of the Series B2 CCPS, and all other Transaction Documents, as may be applicable; and
 - v. do all acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions and to execute on behalf of the Company such deeds, documents, agreements and writings in this regard.

RESOLVED FURTHER THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 current account of the Company maintained with Federal Bank Limited bearing name – Avanti Finance Private Limited and account number 14370200016526 shall be the separate bank account which shall be used for receipt of the subscription / application money for the aforementioned issuance of Series B2 Subscription Securities and the said money shall not be utilised until the allotment is made and relevant e-Form PAS-3 is not filed;

RESOLVED FURTHER THAT any and all actions taken by any Authorised Signatory in connection with any transaction or objectives approved in any or all of the foregoing resolutions, and all transactions related thereto, are hereby approved, ratified and confirmed in all respects and any and all actions hereafter to be taken by any Authorised Signatory in furtherance of the objectives of the foregoing resolutions are hereby authorised, approved and ratified in all respects;

RESOLVED FURTHER THAT if necessary, the common seal of the Company be affixed to any Transaction Document in the presence of any one of the Authorised Signatory who shall sign the same in token thereof;

RESOLVED FURTHER THAT each of the directors of the Company and / or the Authorised Signatories, 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."

(All capitalised terms not defined in this resolution shall have the respective meanings set forth in the Series B2 SSA and the SHA)

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For Avanti Finance Private Limited
Sd/-

Name: Ms. Urvashi P. Bahirsheth
Designation: Company Secretary
Membership No.: ACS 37475

Address: # 2727, 2nd floor, 1st Main Road, HAL 3rd Stage,
Ward no 58 (Old No. 83), New Thippasandra,
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Registered Office:

2727, 2nd floor, 1st Main Road, HAL 3rd Stage,
Ward no 58 (Old No. 83), New Thippasandra,
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Date: September 26, 2024

Place: Bengaluru

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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, NO.10/2022 DATED 28.12.2022 AND 09/2023 DATED 25.09.2023 AND 09/2024 DATED 19.09.2024.

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: [<Link to be inserted>](#)
- 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 15 minutes before the time scheduled to start the meeting until 15 minutes after such scheduled time. After the scheduled time 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.

b) Voting:

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- 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, 2024 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	√	
2. To appoint M/s Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as the statutory auditors of the Company	√	
3. To take note of appointment of Mr. Anirudh Jagdish Sarda (DIN: 06453012), as Nominee Director of the Company	√	
4. To take note of appointment of Mr. Jeroen Bart Nicolaas Meerburg (DIN: 10684231), as Nominee Director of the Company	√	
5. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company	√	
6. To: (a) approve the issuance of Series B2 Tranche 2 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B2 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B2 CCPS Offer Letter'); (c) authorise the Directors to issue and execute the Offer Letter	√	

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, 2024 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	100	

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2. To appoint M/s Varma & Varma, Chartered Accountants (Firm Registration No. 004532S) as the statutory auditors of the Company	100	
3. To take note of appointment of Mr. Anirudh Jagdish Sarda (DIN: 06453012), as Nominee Director of the Company	100	
4. To take note of appointment of Mr. Jeroen Bart Nicolaas Meerburg (DIN: 10684231), as Nominee Director of the Company	100	
5. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company	100	
6. To: (a) approve the issuance of Series B2 Tranche 2 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B2 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B2 CCPS Offer Letter'); (c) authorise the Directors to issue and execute the Offer Letter	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. Incase of any doubts or clarification, the members are requested to contact Ms. Urvashi P. Bahirsheth through e-mail: urvashi@avantifinance.in
- iv. 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.

Explanatory Statement as required under section 102 of the Companies Act, 2013 in respect of is annexed hereto.

AVANTI FINANCE PRIVATE LIMITED

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CIN: U65929KA2016PTC138355

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

Item No. 3

To take note of appointment of Mr. Anirudh Jagdish Sarda (DIN: 06453012), as Nominee Director of the Company

Pursuant to the Shareholders' Agreement dated March 27, 2023, as amended from time to time, superseded by the new shareholders' agreement dated August 27, 2024, Oikocredit Ecumenical Development Cooperative Society U.A had nominated Mr. Anirudh Jagdish Sarda (DIN: 06453012) to replace Ms. Annette Christine Austin (DIN: 09255778), as Nominee Director of the Company, Accordingly, Mr. Anirudh Jagdish Sarda was appointed as a Nominee Director by the Board in its meeting held on February 07, 2024.

Item No. 4

To take note of appointment of Mr. Jeroen Bart Nicolaas Meerburg (DIN: 10684231), as Nominee Director of the Company

Pursuant to the Shareholders' Agreement dated March 27, 2023, as amended from time to time, superseded by the new shareholders' agreement dated August 27, 2024, Rabo Partnerships B.V. had nominated Mr. Jeroen Bart Nicolaas Meerburg (DIN: 10684231), as Nominee Director of the Company, Accordingly, Mr. Jeroen Bart Nicolaas Meerburg was appointed as a Nominee Director by the board in its meeting held on August 24, 2024.

Item No. 5

To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company

The members are informed that pursuant to the provisions of the shareholders' agreement dated August 27, 2024 ("SHA") entered into by and amongst Avanti Finance Private Limited ("Company"), Avanti Microfinance Private Limited, Rabo Partnerships B.V., IDH Farmfit Fund B.V, OikoCredit, Ecumenical Development Cooperative Society U.A., Bill & Melinda Gates Foundation, Nomura Capital (India) Private Limited, Waa Partners LLP, MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, it is necessary to adopt revised Articles of Association ('Articles') of the Company. This alteration requires the shareholders' approval by way of Special Resolution.

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

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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 to the extent of their respective shareholding;
- II. Every other key managerial personnel - 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. 5 of the Notice for your approval by way of special resolution.

Item No. 6

To: (a) approve the issuance of Series B2 Tranche 2 Subscription Securities in accordance with applicable law;

(b) approve the draft of the private placement offer cum application letter for issuance of Series B2 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B2 CCPS Offer Letter');

(c) authorise the Directors to issue and execute the Offer Letter

The Company intends to raise capital from the following proposed investors for which it has entered into a new shareholders' agreement, in supersession of the shareholders' agreement dated March 27, 2023, as amended from time to time, ('SHA') and Series B2 securities subscription agreement entered into between the Company, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited ('Series B2 SSA') by way of, subscription to such number of Series B2 compulsorily convertible preference shares ('Series B2 CCPS') of face value of INR 10 (Indian Rupees Ten only) per Series B2 CCPS.

The members are requested to note that the offer letter and the offer opening period for the said issuance will be only after closure and allotment of the proposed allotment of 2500 non-

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convertible debentures approved in the meeting of Board of Directors held on September 26, 2024.

A. Series B2 Compulsorily Convertible Preference Shares ('Series B2 CCPS'):

(a) the size of the issue and number of preference shares to be issued and nominal value of each share:

1,12,03,879 Series B2 CCPS of INR 10 each.

(b) the nature of such shares i.e. cumulative or non – cumulative, participating or non – participating, convertible or non – convertible:

As per the terms and conditions mentioned in the Series B2 SSA.

(c) the objectives of the issue:

The proceeds of the issue will be used only as per the provisions of the business plan or for such other purposes as are approved by the subscribers in writing in terms of the Series B2 SSA.

(d) the manner of issue of shares:

Private Placement Basis

(e) the price at which such shares are proposed to be issued:

INR 31.71

(f) the basis on which the price has been arrived at:

The price has been arrived based on valuation report received from CA Milan Rupchandani, the registered valuer in terms of Section 247 of the Companies Act, 2013.

(g) the terms of issue, including terms and rate of dividend on each share, etc.:

As per the terms and conditions mentioned in the Series B2 SSA.

(h) the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion:

As per the terms and conditions mentioned in the Series B2 SSA.

(i) the manner and modes of redemption:

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The provisions relating to redemption of preference shares will not be applicable since the said Series B2 CCPS are compulsorily convertible in nature.

(j) the current shareholding pattern of the company:

Sr No.	Category	Current shareholding pattern													
		No of Shares held(Equity)	% of Shareholding (Equity)	No of shares held (Series A CCPS)	% of shareholding (Series A CCPS)	No of shares held (Series A1 CCPS)	% of shareholding (Series A1 CCPS)	No of shares held (Bridge CCPS)	% of shareholding (Bridge CCPS)	No of shares held (Series B CCPS)	% of shareholding (Series B CCPS)	No of shares held (Series B1 CCPS)	% of shareholding (Series B1 CCPS)	No of shares held (Series B2 CCPS)	% of shareholding (Series B2 CCPS)
A	Promoter's holding														
1	Indian														
	Individual	1,77,45,446	11.76%	-	-	-	-	-	-	-	-	-	-	-	-
	Bodies Corporate														
	Sub total	1,77,45,446	11.76%	-	-	-	-	-	-	-	-	-	-	-	-
2	Foreign Promoters	0	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total(A)	1,77,45,446	11.76%	-	-	-	-	-	-	-	-	-	-	-	-
B	Non- Promoter's holding														
1	Institutional Investor	-	-	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100%	1,39,32,428	100.00%	93,57,457	68.33%
2	Non Institutional	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Private Corporate bodies	-	-	-	-	-	-	-	-	-	-	-	-	8,67,234	6.33%
	Directors and Relatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indian Public	18,75,000	1.24%	-	-	-	-	-	-	-	-	3,48,311	2.44%	34,68,937	25.33%
	Indians(NRI)]	13,12,86,747	87.00%	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total(B)	13,31,61,747	88.24%	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100%	1,42,80,739	100	1,36,93,628	100
	Grand total	15,09,07,193	100%	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100%	1,42,80,739	100	1,36,93,628	100

(k) the expected dilution in equity share capital upon conversion of preference shares:

As per the terms and conditions mentioned in the Series B2 SSA.

(l) Date of passing of Board resolution for approving the issue:

September 26, 2024

(m) name and address of valuer who performed valuation;

CA Milan Rupchandani

Address: 702, Impressa, Near Kamal Spacia, Plot No. 49, Near Kadbi Chowk, Nagpur – 440004

(n) The class or classes of persons to whom the allotment is proposed to be made:

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Resident and Non-resident Investors.

(o) relevant date with reference to which the price has been arrived at:

June 30, 2024

(p) the class or classes of persons to whom the allotment is proposed to be made, their name and the percentage of post preferential offer capital that may be held by them:

Sl. No.	Proposed allottee	Address	Class of proposed allottee	percentage of post preferential offer capital
1	NRJN Family Trust	No. 24, 4th Floor, 1st Cross, Magrath Road, Bengaluru – 560025	Trust	26.28
2	Rabo Partnerships B.V.	Croeselaan 18 Utrecht, 3521CB, The Netherlands	Private limited company	15.77
3	IDH Farmfit Fund B.V.	Arthur van Schendelstraat 500, 3511 MH Utrecht	Limited liability company	26.28
4	Mr. Kewal Krishan Nohria	11 Aryavart Narayan, Dabholkar Road, Nepean Sea Road, Mumbai, Maharashtra - 400006	Individual Investor	6.33
5	Mr. Ajay Kumar Aggarwal	H.No.22, Road No.78, Punjabi Bagh West, New Delhi - 110026	Individual Investor	12.67
6	Mr. Rajat Goenka	No. 31, Vittal Mallya Road, Bangalore, Karnataka – 560001	Individual Investor	6.33
7	Sak Industries Private Limited	27-F, Ranjith Road, Kotturpuram, Chennai – 600085	Private limited company	6.33

(q) intention of promoters, directors or key managerial personnel to subscribe to the offer:

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None of the Directors, Key Managerial Personnel and relatives of Directors and Key Managerial Personnel is interested or has any intention to subscribe to the said offer.

(r) the change in control, if any, in the company that would occur consequent to the preferential offer;

N/A

(s) the number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

Sr. No.	Name of the Investors	Number of Securities	Type of Issue	Consideration (in INR)
1.	MI India Capital And Investment Private Limited	1,39,32,428	Private placement of Series B1 CCPS	40,00,00,007.88
2.	Mr. Naveen Kukreja	3,48,311	Private placement of Series B1 CCPS	1,00,00,008.81
3.	NRJN Family Trust	35,99,022	Private placement of Series B2 CCPS (Tranche 1)	11,41,24,987.62
4.	Rabo Partnerships B.V.	21,59,413	Private placement of Series B2 CCPS (Tranche 1)	6,84,74,986.23
5.	IDH Farmfit Fund B.V.	35,99,022	Private placement of Series B2 CCPS (Tranche 1)	11,41,24,987.62
6.	Mr. Kewal Krishan Nohria	8,67,234	Private placement of Series B2 CCPS (Tranche 1)	2,74,99,990.14
7.	Mr. Ajay Kumar Aggarwal	17,34,469	Private placement of Series B2 CCPS (Tranche 1)	5,50,00,011.99
8.	Mr. Rajat Goenka	8,67,234	Private placement of Series B2 CCPS (Tranche 1)	2,74,99,990.14

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9.	Sak Industries Private Limited	8,67,234	Private placement of Series B2 CCPS (Tranche 1)	2,74,99,990.14
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(t) the proposed time within which the allotment shall be completed:

30 days

(u) The pre issue and post issue shareholding pattern of the company in the following format:

Sr No.	Category	Pre Issue										Post Issue															
		No of Shares held (Equity)	% of Shareholding (Equity)	No of shares held (Series A CCPS)	% of shareholding (Series A CCPS)	No of shares held (Series B1 CCPS)	% of shareholding (Series B1 CCPS)	No of shares held (Series B2 CCPS)	% of shareholding (Series B2 CCPS)	No of shares held (Series B3 CCPS)	% of shareholding (Series B3 CCPS)	No of Shares held (Equity)	% of Shareholding (Equity)	No of shares held (Series A CCPS)	% of shareholding (Series A CCPS)	No of shares held (Series B1 CCPS)	% of shareholding (Series B1 CCPS)	No of shares held (Series B2 CCPS)	% of shareholding (Series B2 CCPS)	No of shares held (Series B3 CCPS)	% of shareholding (Series B3 CCPS)						
A	Promoter's holding																										
	Indian																										
	Individual	1,77,45,446	11.76%								1,77,45,446	11.76%															
	Bodies Corporate																										
	Sub total	1,77,45,446	11.76%								1,77,45,446	11.76%															
	Foreign Promoters		0									0															
	Sub total(A)	1,77,45,446	11.76%								1,77,45,446	11.76%															
B	Non-Promoter's holding																										
	1 Institutional Investor		11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100%	1,39,32,428	100.00%	93,57,457	68.33%		11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100	1,39,32,428	97.56%	1,70,13,560	68.33%
	2 Non Institutional																										
	Private Corporate bodies												8,67,234	6.33%										15,76,789	6.33%		
	Directors and Relatives																										
	Indian Public	18,75,000	1.24%								3,48,311	2.44%	34,68,937	25.33%	18,75,000	1.24%								3,48,311	2.44%	63,07,158	25.33%
	Indians(NRI)	13,12,86,747	87.00%										13,12,86,747	87.00%													
	Sub Total(B)	13,31,61,747	88.24%	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100%	1,42,80,739	100	1,36,93,628	100	13,31,61,747	88.24%	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100	1,42,80,739	100
	Grand total	15,09,07,193	100%	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100%	1,42,80,739	100	1,36,93,628	100	15,09,07,193	100	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100	1,42,80,739	100

(v) Amount which the company intends to raise by way of such securities:

INR 35,52,75,003.09/- (Indian Rupees Thirty Five Crores Fifty Two Lakhs Seventy Five Thousand Three and Nine Paise)

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. Nandan Nilekani, Director of the Company who is also the author of NRJN Family Trust, proposed allottee;
- II. Every other key managerial personnel - 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.

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- 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. 6 of the Notice for your approval by way of a special resolution.

For Avanti Finance Private Limited
Sd/-

Name: Ms. Urvashi P. Bahirsheth

Designation: Company Secretary

Membership No.: ACS 37475

Address: # 2727, 2nd floor, 1st Main Road, HAL 3rd Stage,
Ward no 58 (Old No. 83), New Thippasandra,
Bangalore, Karnataka, India, 560075

Registered Office:

2727, 2nd floor, 1st Main Road, HAL 3rd Stage,
Ward no 58 (Old No. 83), New Thippasandra,
Bangalore, Karnataka, India, 560075

Date: September 26, 2024

Place: Bengaluru

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DIRECTORS' REPORT

To

The Members of **AVANTI FINANCE PRIVATE LIMITED**

The Directors are pleased to present the Eighth annual report with the audited financial statements of the Company for the year ended on March 31, 2024.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from Operations	24,040.94	10,564.41	24,149.10	10,608.59
Other Income	1,060.61	301.81	1,060.61	305.82
Total Income	25,101.56	10,866.23	25,209.71	10,941.24
Total Expenses	26,485.22	15,870.99	26,527.81	17,948.60
Profit/(Loss) before Tax	(1,383.66)	(5,004.77)	(1,318.10)	(7,034.20)
Provision for Taxation (net)	0	0	0	0
Profit/(Loss) after Tax	(1,383.66)	(5,004.77)	(1,318.10)	(7,034.20)

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STATE OF THE COMPANY'S AFFAIRS / OPERATION REVIEW:

During the year ended March 31, 2024, the performance of the Company in terms of its loan book was as follows:

(Rs. In Lakhs)

Standalone			Consolidated		
For the year ended March 31, 2024	For the year ended March 31, 2023	% change	For the year ended March 31, 2024	For the year ended March 31, 2023	% change
92,959.43	53,808.55	72.75	93,780.75	54,466.88	72.18

Your Company continues to make strong strides in establishing a digital delivery model for the un/underserved segment to make credit access more equitable and frictionless. Avanti has built a strong proof of concept of an asset-light & capital efficient business model based on its operating principles of paperless, presence less & cashless. The assisted technology model enables smooth onboarding of low-income borrowers with no paper and a predictable time for decisioning. The Company's unique presence less model of leveraging existing networks and institutions that are close to our customer segment, enabled us to rapidly expand our presence to over 26 states and 400+ districts with borrowers served in over twenty thousand villages. Co-lending with reputed financial institutions has increased the supply of quality capital to low-income borrowers. Focus on digital collections now result in 32% of the repayments being credited directly to the loan e-collect account of the borrowers, reducing the velocity of cash. Loan advances grew by 140.9% and AUM grew to INR 1,384.06 crores, an increase of 123% over the previous year. Portfolio quality has been stable with GNPA of 2.26% & NNPA of 1.13%. The Company maintained its credit rating of BBB+ and was successful in raising debt of INR 317.5 crore.

DIVIDEND:

The Board of Directors do not recommend any dividend for the year ended on March 31, 2024.

AMOUNT TRANSFERRED TO RESERVES:

The Company has transferred INR 1.67 crores to ESOP reserves during the year under review.

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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 not availed any unsecured loans.

CHANGES IN SHARE CAPITAL:

Authorised share capital:

The Authorised Share Capital of the Company aggregating to INR 380,70,00,000 divided into:

- (i) 15,75,00,000 equity shares of face value of INR 10/- each,
- (ii) 11,50,00,000 Series A compulsorily convertible preference shares ('CCPS') of face value of INR 10/- each,
- (iii) 1,90,00,000 Series A1 CCPS of face value of INR 10/- each,
- (iv) 3,20,00,000 Bridge CCPS of face value of INR 10/- each, and
- (v) 5,72,00,000 Series B CCPS of face value of INR 10/- each.

There is no change in the authorised share capital of the Company during the year.

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
April 06, 2023	IDH Farmfit Fund B.V.	1,14,24,591 Series B CCPS
April 06, 2023	Oikocredit Ecumenical Development Cooperative Society U.A.	28,56,148 Series B CCPS
February 07, 2024	Mr. Sushil Thaker	75,000 equity shares exercised under the 2020 Avanti Employee Stock Option Plan

The paid-up share capital of your Company as on March 31, 2024 was INR 3,71,03,01,480 divided into:

- . 15,09,07,193 equity shares of face value of INR 10/- each,
- . 11,24,00,000 Series A CCPS of face value of INR 10/- each,

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- . 1,86,00,000 Series A1 CCPS of face value of INR 10/- each,
- . 3,20,00,000 Bridge CCPS of face value of INR 10/- each and
- . 5,71,22,955 Series B CCPS of face value of INR 10/- each.

CAPITAL ADEQUACY

The Company continues to maintain a healthy capital adequacy ratio of 20.15% as at March 31, 2024 against the regulatory requirement of 15%.

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, wholly owned subsidiary of the Company 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

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

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 provisions 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.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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:

Post the end of the financial year, i.e. March 31, 2024, the following allotments were made which affect the capital position of the Company:

1. The Company entered into a Series B1 Securities Subscription Agreement dated May 07, 2024 alongwith MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited for issuance and allotment

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of a total of 1,42,80,739 Series B1 compulsorily convertible preference shares to certain identified subscribers.

Name and Details of the Subscriber	Type of Security	Number of Securities	Total Amount (in INR)
MI India Capital and Investment Private Limited	Series B1 CCPS	1,39,32,428	400000007.88
Mr. Naveen Kukreja	Series B1 CCPS	3,48,311	10000008.81
TOTAL		1,42,80,739	41,00,00,016.69

2. The Company entered into a Series B2 Securities Subscription Agreement dated August 27, 2024 alongwith NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Mr. Kewal Krishan Nohria. Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Mr. Ratan Tata, Dr. Vijay Kelkar and Mr. Nandan Nilekani for issuance and allotment of a total of 1,36,93,628 Series B2 compulsorily convertible preference shares to certain identified subscribers as detailed below:

Name and Details of the Subscriber	Type of Security	Number of Securities	Total Amount (in INR)
NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	Series B2 CCPS	35,99,022	11,41,24,987.62
Rabo Partnerships B.V.	Series B2 CCPS	21,59,413	6,84,74,986.23
IDH Farmfit Fund B.V.	Series B2 CCPS	35,99,022	11,41,24,987.62
Mr. Kewal Krishan Nohria	Series B2 CCPS	8,67,234	2,74,99,990.14
Mr. Ajay Kumar Aggarwal	Series B2 CCPS	17,34,469	5,50,00,011.99
Mr. Rajat Goenka	Series B2 CCPS	8,67,234	2,74,99,990.14
SAK Industries Private Limited	Series B2 CCPS	8,67,234	2,74,99,990.14
TOTAL		1,36,93,628	43,42,24,943.88

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DIRECTORS, KEY MANAGERIAL PERSONNEL:

During the year under review, the following appointment and cessation were made:

- Ms. Annette Austin (DIN: 09255778) resigned from the position of Nominee Director representing Oikocredit, Ecumenical Development Cooperative Society U.A. with effect from February 01, 2024.
- Mr. Anirudh Jagdish Sarda (DIN: 06453012), was appointed as a Nominee director representing Oikocredit, Ecumenical Development Cooperative Society U.A. with effect from February 07, 2024.

Accordingly, as on March 31, 2024, the Board of Directors of your Company comprises of 8 Directors namely:

- . Mr. Ratan Naval Tata (DIN: 00000001),
- . Dr. Vijay Laxman Kelkar (DIN: 00011991),
- . Mr. Nandan Mohan Nilekani (DIN:00041245),
- . Ms. Bindu Ananth (DIN: 02456029),
- . Ms. Sukanya Kripalu (DIN: 06994202),
- . Mr. Subramaniam Somasundaram (DIN: 01494407),
- . Mr. Rahul Gupta (DIN: 09247626) and
- . Mr. Anirudh Jagdish Sarda (DIN: 06453012).

During the year under review, there was no change in the key managerial personnel. Ms. Urvashi Prafulla Bahirsheth continues to be the Company Secretary. She has been additionally designated as the Chief Compliance Officer of your Company.

STATEMENT ON DECLARATION BY AN INDEPENDENT DIRECTOR(S):

The Company had received declaration from all the Independent Directors ('IDs'), in the first board meeting of the Company for FY 2023-24, confirming that they meet the criteria of independence specified under sub- section (6) of Section 149 of the Companies Act, 2013 ('Act'), read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, for holding the position of ID and that they shall abide by the 'Code for Independent Directors' as per Schedule IV of the Act. There has been no change in the circumstances affecting their status as ID. In the opinion of the Board, the IDs possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Company.

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MEETING OF BOARD OF DIRECTORS:

During the financial year 2023-24, 8 Board meetings were convened and 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
i.	April 24, 2023	8	4	50
ii.	May 09, 2023	8	6	75
iii.	August 10, 2023	8	7	87.5
iv.	August 14, 2023	8	6	75
v.	October 31, 2023	8	6	75
vi.	February 07, 2024	8	7	87.5
vii.	February 29, 2024	8	4	50
viii.	March 15, 2024	8	6	75

Details of Committee Meetings held during FY 2023-24:

Sr. No.	Date of Committee Meeting	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	IT Strategy Committee
i.	May 08, 2023	1 st	1 st	1 st	-
ii.	June 13, 2024	-	2 nd	-	-
iii.	June 29, 2024	-	-	-	1 st
iv.	August 09, 2023	-	3 rd	-	-
v.	August 10, 2023	-	-	2 nd	-
vi.	August 14, 2023	2 nd	-	-	-
vii.	August 23, 2023	-	4 th	-	-

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viii.	September 28, 2023	-	-	-	2 nd
ix.	October 27, 2023	3 rd		3 rd	
x.	December 26, 2023	-	-	-	3 rd
xi.	February 05, 2024	4 th		4 th	
xii.	March 26, 2024	-	-	-	4 th

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 August 23, 2023 (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	8	1	12.5	N.A.	N.A.	N.A.	N
2.	Dr. Vijay Laxman Kelkar	8	4	50	4	2	50	Y
3.	Mr. Nandan Mohan Nilekani	8	4	50	N.A.	N.A.	N.A.	N
4.	Ms. Bindu Ananth	8	6	75	8	8	100	N
5.	Ms. Sukanya Kripalu	8	8	100	12	12	100	N
6.	Mr. Subramaniam Somasundaram	8	8	100	16	15	93.75	N
7.	Mr. Rahul Gupta	8	8	100	8	8	100	Y

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8.	Ms. Annette Christine Austin*	6	5	87.5	4	2	50	N
9	Mr. Anirudh Jagdish Sarda**	2	2	100	N.A.	N.A.	N.A.	N.A

* Ms. Annette Christine Austin resigned from the board w.e.f. February 01, 2024

** Mr. Anirudh Jagdish Sarda was appointed on the board w.e.f. February 07, 2024.

The 7th Annual General Meeting of the Company was held on August 23, 2023.

PARTICULARS OF EMPLOYEES:

During the year under review, your Company had 94 employees across its offices situated at Bangalore, Mumbai, Lucknow, Salem and Belgaum. Your Company being a private limited company, the provisions contained in section 196(4) and (5), section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

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 constituted as under:

Ms. Urvashi P. Bahirsheth – Presiding Officer

Mr. Rahul Gupta – Member

Mr. Sunil Kumar Tadepalli – Member

Ms. Shruti Gonsalves – External member

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RISK MANAGEMENT:

The Company, during the year under review, has continued to focus on strengthening its risk frameworks and these measures have ensured that the Company has been able to maintain a stable portfolio credit quality. The Company ended with a Gross NPA of 2.26% as on March 31, 2024 which is on par with the industry. The multi-layered monitoring process set up in the previous year has stabilised and is enabling the Company to identify potential risks early and take corrective actions. These efforts have ensured no material adverse partner events during the year.

Governance and Compliance has been a key area of focus for the Senior Management team with multiple new regulations released by the regulatory bodies during the year with respect to Digital Lending, Default Loss Guarantees, providing transparency to borrowers by publishing Key Fact Statements, Information Technology Outsourcing, Data Protection & Privacy etc. The Company has ensured compliance with all regulatory requirements through instituting additional operational process and/or development of new features on the technology platform. The Company continues to ensure adequate independent oversight on key functional areas through periodic reviews with independent committees led by members of the Board of Directors of the Company.

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. The Company also obtains compliance report at regular intervals from an external Practicing Company Secretary who confirm adherence to these standards.

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.

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.

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, 2024, which is commensurate with the size, scale and complexity of its operation.

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

There was no qualification, reservation, adverse remark or disclaimer made by the Auditors in their report. Hence, no disclosure is required.

FRAUD REPORTING: FRAUD COMMITTED AGAINST THE COMPANY

Your Company had approved a retail program in 2020 to Our Food Private Limited ("Our Food") for delivering the food processing machines to the farmers in a stipulated timeline agreed in the binding contract. The Company discovered through a routine field visit and forensic audit that the machines were not delivered to the majority of the borrowers under this program and the loan amount was misutilised and misappropriated by Our Food and its officials.

Also, the Company had approved an institutional loan to Our Food on May 31, 2021 with usage of the funds limited to specific purpose agreed under the binding contract. Our Food failed to repay the loan and Company learnt on investigation that the said funds were diverted for the purpose not authorised by the Company with a clear intention to Misuse and Misappropriate the amount.

Accordingly, following was the legal action taken by the Company for the purpose of recovery –

- a. Under Section 138 of the Negotiable Instruments Act, 1881 - Company has filed 2 cases in Metropolitan Magistrate court, Esplanade, Mumbai for dishonouring the cheques provided to the Company.
- b. National Company Law Tribunal – Company has filed a case in NCLT, Hyderabad Bench against the Guarantor Mr. Bala Reddy on April 25, 2023.
- c. First Information Report - Company has registered a criminal complaint in jurisdictional police station against Our Food and its officials. Due to the Quantum of the case being higher than 5 Crore, the case has been transferred to Criminal Investigation Department (CID) Bangalore for the purpose of investigation.
- d. Fraud reporting to RBI – Company has reported the fraud in both retail and institution portfolio to RBI in the form of a FMR – 1 as prescribed by Reserve Bank of India.

The Company identified several other instances of frauds that required immediate attention. These frauds were thoroughly investigated to assess the nature and scope of the same. Further, they were promptly reported to the RBI, wherever applicable.

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

The Company has complied with the circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by Reserve Bank of India covering guidelines for Appointment of Statutory Auditors (SAs) of Commercial banks, (excluding RRBs), UCBs and NBFCs (including HFCs) which inter alia provides for the appointment of Statutory Auditors for a continuous period of three years.

M/s M. P. Chitale & Co (FRN:101851W) were appointed in the 6th Annual General Meeting for a period of 3 financial years i.e. from FY 2021-22 to FY 2023-24. However, as per the RBI guidelines, their tenure will cease at the upcoming Annual General Meeting (AGM) of the Company.

Based on the recommendation of the Audit Committee, at their meeting held on August 24, 2024, M/s Varma & Varma, Chartered Accountants (Firm registration number 004532S) were recommended to the shareholders to be appointed as Statutory Auditors for next 3 financial years i.e. from FY 2024-25 to FY 2026-27.

SECRETARIAL AUDITORS

The Company had appointed M/s RJSY & Associates, Practicing Company Secretaries (Certificate of Practice No 27301) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year 2023-24 as required under Section 204 of the Companies Act, 2013 and the rules made thereunder. The Secretarial Audit Report for FY 2023-24 is enclosed as **Annexure II**.

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 III**.

2020 AVANTI EMPLOYEE STOCK OPTION PLAN

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

EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2024, which will be filed with Registrar of Companies/MCA, is uploaded on the Company's website and can be accessed at <https://www.avantifinance.in>

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VIGIL MECHANISM POLICY

The Company, within the scope of the existing Whistle Blower Policy has the vigil mechanism. The Company is in the process of establishing a more robust vigil mechanism framework and policy to raise genuine concerns by any of its stakeholders.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm and state that:

- i. In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards, have been followed along with proper explanation relating to material departures;
- ii. 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, 2024 and of the loss of the Company for year ended on that date;
- iii. 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;
- iv. the Directors have prepared the annual accounts on a going concern basis; and
- v. 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.

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.

The provisions related to Key Managerial Personnel do not apply to the Company except for the appointment of Company Secretary of the Company.

Annual evaluation of the Board and its committees and policies for remunerating key managerial personnel and other employees.

Issue of equity shares with differential rights as to dividend, voting or otherwise.

There are no frauds reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013. The Company has identified certain channel partners who have allegedly misappropriated disbursements aggregating to Rs 2432.89 lakhs in FY 2023-24.

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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.

The Company has not provided money for purchase of its own shares by employees or by trustees for the benefit of the employees.

Change in the nature of business of the Company.

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

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.

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 all its stakeholders in the years ahead.

On behalf of Board of Directors

Avanti Finance Private Limited

A handwritten signature in blue ink, appearing to read "Rahul Gupta", written over a horizontal line.

Mr. Rahul Gupta

Director

DIN: 09247626

Date: September 26, 2024

Place: Bengaluru



A handwritten signature in blue ink, appearing to read "Vijay Laxman Kelkar", written over a horizontal line.

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: September 26, 2024

Place: Pune

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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	Not applicable
Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	INR
Share Capital (INR in lakhs)	Authorised: INR 4,000.00 Paid-up: INR 3,951.61
Reserves & Surplus (INR in lakhs)	(3,150.52)
Total Assets (INR in lakhs)	829.33
Total Liabilities (INR in lakhs)	829.33
Investments	0
Turnover (Other Income) (INR in lakhs)	122.49
Profit before taxation (INR in lakhs)	71.34
Provision for taxation (INR in lakhs)	0
Profit after taxation (INR in lakhs)	71.34
Proposed dividend	0
% Shareholding	100%

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

Names of subsidiaries which are yet to commence operations: NIL

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:

Names of associates or joint ventures which are yet to commence operations: NIL

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

A handwritten signature in blue ink, appearing to read "Rahul Gupta", written over a horizontal line.

Mr. Rahul Gupta

Director

DIN: 09247626

Date: September 26, 2024

Place: Bengaluru



A handwritten signature in blue ink, appearing to read "Vijay Laxman Kelkar", written over a horizontal line.

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: September 26, 2024

Place: Pune

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RJSY & ASSOCIATES.

COMPANY SECRETARIES

207, 2nd Floor, Regent Chambers, 208, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400 021. Tel.: 022 4344 0103

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AVANTI FINANCE PRIVATE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avanti Finance Private Limited** ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not applicable during the Audit period);**
3. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
4. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the Audit Period as the Company is not a listed entity:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

RJSY & ASSOCIATES.

COMPANY SECRETARIES

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- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (j) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019; and
 - (k) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
6. Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non-deposit taking Non-Banking Financial Companies with classification as a 'Investment and Credit Company' (NBFC-ICC)' vide RBI circular dated 22nd February 2019); which are specifically applicable to the Company.
7. Other laws to the extent applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (1) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the above-mentioned Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above. ***except as stated below:***

- i. The Company has filed certain forms as prescribed under RBI regulations belatedly, details of which are mentioned under **Annexure B**.
- ii. During the year under review, the Company has exceeded its asset size more than 1,000 Cr., qualifying it as middle-layer NBFC. However, according to the RBI Portal, it is currently classified as an NBFC-base layer and accordingly complying with the rules and regulations as applicable to that category. Subsequently, the Company has started complying with the rules and regulations as applicable to NBFC-middle layer.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings conducted at shorter notice, and a system exists

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for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. 250 senior, secured, rated, unlisted, taxable, redeemable in the nature of non-convertible debentures were issued for an aggregate amount of 25 crore, on a private placement basis during financial year 2023-24.
2. 2,400 senior, secured, rated, unlisted, taxable, redeemable in the nature of non-convertible debentures were issued for an aggregate amount of 24 crore, on a private placement basis during financial year 2023-24.
3. 500 senior, secured, rated, unlisted, taxable, redeemable in the nature of non-convertible debentures were issued for an aggregate amount of 50 crore, on a private placement basis during financial year 2023-24.
4. 3,000 senior, secured, rated, unlisted, taxable, redeemable in the nature of non-convertible debentures were issued for an aggregate amount of 30 crore, on a private placement basis during financial year 2023-24.
5. 75,000 equity shares were issued pursuant to 2020 Avanti Employee Stock Option Plan during financial year 2023-24.
6. 7,500 senior, secured, rated, unlisted, taxable, redeemable in the nature of non-convertible debentures were issued for an aggregate amount of 75 crore, on a private placement basis during financial year 2023-24.
7. 2,900 senior, secured, rated, unlisted, taxable, redeemable in the nature of non-convertible debentures were issued for an aggregate amount of 29 crore, on a private placement basis during financial year 2023-24.

For RJSY & ASSOCIATES

Company Secretaries

Firm Registration No.: P2016MH057200

sd/-

Harshini Parikh

Membership No.: A24652

Certificate of Practice No.: 27301

ICSI UDIN: A024652F001274439

Peer Review Number: 3117/2023

Place: Mumbai

Date: 21st September, 2024

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

RJSY & ASSOCIATES.

COMPANY SECRETARIES

207, 2nd Floor, Regent Chambers, 208, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400 021. Tel.: 022 4344 0103

To,

The Members,

AVANTI FINANCE PRIVATE LIMITED

Our report of even date is to be read along with this letter.

‘Annexure A’

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For RJSY & ASSOCIATES

Company Secretaries

Firm Registration No.: P2016MH057200

sd/-

Harshini Parikh

Membership No.: A24652

Certificate of Practice No.: 27301

ICSI UDIN: A024652F001274439

Peer Review Number: 3117/2023

Place: Mumbai

Date: 21st September, 2024

RJSY & ASSOCIATES.

COMPANY SECRETARIES

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Annexure B

Sr. No.	Name of Form	Due Date	Date of filing
1.	DNBS 01-for the quarter ended June 2023	15.07.2023	07.12.2023
2.	DNBS 01-for the quarter ended September 2023	15.10.2023	08.12.2023
3.	DNBS 03-for the quarter ended June 2023	15.07.2023	30.11.2023
4.	DNBS 03-for the quarter ended September 2023	15.10.2023	30.11.2023
5.	DNBS-04B-for the month ended May 2023	10.06.2023	11.07.2023
6.	DNBS-04B-for the month ended August 2023	10.09.2023	22.09.2023

For RJSY & ASSOCIATES

Company Secretaries

Firm Registration No.: P2016MH057200

sd/-

Harshini Parikh

Membership No.: A24652

Certificate of Practice No.: 27301

ICSI UDIN: A024652F001274439

Peer Review Number: 3117/2023

Place: Mumbai

Date: 21st September, 2024



Annexure III to Directors' Report

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

- i. The efforts made towards technology absorption– The business of your Company does not require any new technology.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution– Not applicable
- iii. 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					

- iv. 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, 2024 (Amount in INR)
i.	Earnings in Foreign Exchange [Actual Inflow] This information needs actual inflow and not based on accrual basis.	NIL

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ii.	Expenditure in Foreign Currency [Actual Outflows] This information needs actual outflow and not based on accrual basis.	37,50,980.52
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On behalf of Board of Directors

Avanti Finance Private Limited

A handwritten signature in blue ink, appearing to read "Rahul Gupta", written over a horizontal line.

Mr. Rahul Gupta

Director

DIN: 09247626

Date: September 26, 2024

Place: Bengaluru



A handwritten signature in blue ink, appearing to read "Vijay Laxman Kelkar", written over a horizontal line.

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: September 26, 2024

Place: Pune

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Annexure IV to Directors' Report

DETAILS ABOUT 2020 AVANTI EMPLOYEE STOCK OPTION PLAN (2023-2024)

Sr. No.	Particulars	Disclosure
1.	Options Granted	29,89,538
2.	Options Vested	14,17,551
3.	Options Exercised	75,000
4.	The total number of shares arising as a result of exercise of option	75,000
5.	Options Lapsed	NIL
6.	The Exercise Price	10
7.	Variation of terms of options	There are pre-determined percentages for initial vesting for the employees. Balance options vesting formula as mentioned in the financial statements.
8.	Money realized by exercise of options	7,50,000
9.	Total number of options in force	3,86,96,658
10.	Employee wise details of options granted to	
i.	Key managerial personnel – Ms. Urvashi Prafulla Bahirsheth, Company Secretary	NIL
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	1. Mr. Rahul Gupta 2. Mr. Manish Thakkar 3. Mr. Sunil K Tadepalli 4. Mr. Lalitesh Katragadda 5. Mr. Nagaraj Subrahmanya 6. Mr. Sashi Pandey

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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 grant	1. Mr. Rahul Gupta 2. Mr. Manish Thakkar 3. Mr. Sunil K Tadepalli 4. Mr. Lalitesh Katragadda 5. Mr. Nagaraj Subrahmanya
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On behalf of Board of Directors

Avanti Finance Private Limited



Mr. Rahul Gupta

Director

DIN: 09247626

Date: September 26, 2024

Place: Bengaluru



Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: September 26, 2024

Place: Pune

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Corporate Governance Report

This report outlines compliance with the requirements of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 and as amended from time to time, as applicable to the Company.

A. Composition of the Board of Directors

Sl. No	Name of the Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter Nominee/ Independent)	DIN	No. of other Directorships	No. of shares held in and convertible instrument held in the NBFC
1	Mr. Ratan Naval Tata	August 01, 2016	Non-Executive Director	00000001	6	1,68,70,859 Equity Shares
2	Dr. Vijay Laxman Kelkar	August 01, 2016	Non-Executive Director	00011991	3	8,74,562 Equity Shares
3	Mr. Nandan Mohan Nilekani	August 01, 2016	Non-Executive Director	00041245	5	-
4	Ms. Bindu Ananth	September 30, 2021	Nominee Director	02456029	6	-
5	Ms. Sukanya Kripalu	July 13, 2022	Independent Director	06994202	8	-
6	Mr. Subramaniam Somasundaram	July 13, 2022	Independent Director	01494407	6	-
7	Mr. Rahul Gupta	July 13, 2022	Director and Chief Executive Officer	09247626	1	-
8	Mr. Anirudh Jagdish Sarda	February 07, 2024	Nominee Director	06453012	1	-

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B. Meetings of the Board of Directors

Sl. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	April 24, 2023	8	4	50
2	May 09, 2023	8	6	75
3	August 10, 2023	8	7	87.5
4	August 14, 2023	8	6	75
5	October 31, 2023	8	6	75
6	February 07, 2024	8	7	87.5
7	February 29, 2024	8	4	50
8	March 15, 2024	8	6	75

C. Attendance of the Board of Directors

Sl. No.	Name of the Director	Number of Board Meetings			Whether attended last AGM held on August 23, 2023 (Yes/No/NA)
		Held	Attended	% of attendance	
1	Mr. Ratan Naval Tata	8	1	12.5	No
2	Dr. Vijay Laxman Kelkar	8	4	50	Yes
3	Mr. Nandan Mohan Nilekani	8	4	50	No
4	Ms. Bindu Ananth	8	6	75	No
5	Ms. Sukanya Kripalu	8	8	100	No
6	Mr. Subramaniam Somasundaram	8	8	100	No
7	Mr. Rahul Gupta	8	8	100	Yes
8	Ms. Annette Christine Austin*	6	5	87.5	No
9	Mr. Anirudh Jagdish Sarda**	2	2	100	NA

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* Ms. Annette Christine Austin resigned from the board w.e.f. February 01, 2024

** Mr. Anirudh Jagdish Sarda was appointed on the board w.e.f. February 07, 2024.

The 7th Annual General Meeting of the Company was held on August 23, 2023.

D. Remuneration to the Board of Directors

The Company has not paid any remuneration (except for sitting fees) to its directors during the financial year 2023-24. Mr. Rahul Gupta, Director of the Company has drawn remuneration in his capacity as Chief Executive Officer of the Company.

(Rs. in lakhs)

Sl. No.	Name of the Director	Salary and Other compensation	Sitting Fees	Commission
1	Mr. Ratan Naval Tata	Nil	Nil	Nil
2	Dr. Vijay Laxman Kelkar	Nil	Nil	Nil
3	Mr. Nandan Mohan Nilekani	Nil	Nil	Nil
4	Ms. Bindu Ananth	Nil	Nil	Nil
5	Ms. Sukanya Kripalu	Nil	17.25	Nil
6	Mr. Subramaniam Somasundaram	Nil	16.50	Nil
7	Mr. Rahul Gupta	Nil	Nil	Nil
8	Ms. Annette Christine Austin	Nil	Nil	Nil
9	Mr. Anirudh Jagdish Sarda	Nil	Nil	Nil

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E. Details of change in composition of the Board during the current and previous financial year

Sl. No	Name of the Director	Capacity (i.e. Executive/ Non-Executive/ Chairman/Promoter nominee/Independent)	Nature of change (resignation/ appointment)	Effective date
1	Mr. Jeroen Bart Nicolaas Meerburg	Nominee Director	Appointment	August 24, 2024
2	Mr. Anirudh Jagdish Sarda	Nominee Director	Appointment	February 07, 2024
3	Ms. Annette Christine Austin	Nominee Director	Resignation	February 01, 2024

F. Committees of the Board and their composition

1. Audit Committee

As on March 31, 2024, the Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2023-24, the Audit Committee met 4 (Four) times on May 08, 2023, August 14, 2023, October 27, 2023 and February 05, 2024. The details of attendance of members and composition are as under:

Sl. No	Name of the Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Subramaniam Somasundaram	July 20, 2022	Chairperson – Independent Director	4	4	-
2	Ms. Sukanya Kripalu	July 20, 2022	Member - Independent Director	4	4	-
3	Dr. Vijay Laxman Kelkar	July 20, 2022	Member - Non-executive Director	4	2	8,74,562

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Terms of reference:

- a) Assist the Board in providing oversight on the integrity of the Organization's financial operations and internal controls.
- b) Assist the board in achieving its responsibilities regarding financial statements, financial reporting and effective internal controls.
- c) To promote accountability and transparency in financial transactions and accounting systems
- d) Monitor the effectiveness of the internal and external auditors.
- e) Assessment of control framework of the Company, including compliance, assurance, financial crime prevention, managing conflicts of interest, adherence to ethical principles and independence.
- f) To facilitate timely communication and corrective action.

2. **Risk Management Committee**

As on March 31, 2024, the Risk Management Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2023-24, the Risk Management Committee met 4 (Four) times on May 08, 2023, August 10, 2023, October 27, 2023 and February 05, 2024. The details of attendance of members and composition are as under:

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Bindu Ananth	September 30, 2022	Chairperson – Nominee Director	4	4	-
2	Ms. Sukanya Kripalu	September 30, 2022	Member - Independent Director	4	4	-
3	Mr. Subramaniam Somasundaram	September 30, 2022	Member - Independent Director	4	4	-
4	Mr. Rahul Gupta	September 30, 2022	Member – Executive Director and Chief Executive Officer	4	4	-

Note: Mr. Anirudh Sarda was appointed as a member of the Committee on April 29, 2024.

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Terms of reference:

- To advise and assist the Board of directors of Company in its oversight of the design and effectiveness of the Enterprise Risk Management Framework;
- To advise and assist the Board in fulfilling its oversight responsibilities with regards to the risk appetite of the Company, its risk management and compliance framework and the governance structure that supports it;
- Overseeing risk appetite and risk tolerance appropriate to each business area;
- Ensuring that there are adequate enterprise-wide processes and systems for identifying and reporting risks and deficiencies, including emerging risks;
- To ensure alignment of the risk framework with the Company's growth strategy, supporting a culture of risk taking within sound risk governance;
- To monitor all material aspects of the risk profile and to notify the Board of any material changes or exceptions to established risk policies.

3. **Nomination and Remuneration Committee**

As on March 31, 2024, the Nomination and Remuneration Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2023-24, the Nomination and Remuneration Committee met 4 (Four) times on May 08, 2023, June 13, 2023, August 09, 2023 and August 23, 2023. The details of attendance of members and composition are as under:

Sl. No.	Name of the Director	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/Promoter nominee/Independent)	Number of meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Ms. Sukanya Kripalu	July 20, 2022	Chairperson - Independent Director	4	4	-
2	Mr. Subramaniam Somasundaram	July 20, 2022	Member - Independent Director	4	4	-
3	Ms. Bindu Ananth	July 20, 2022	Member – Nominee Director	4	4	-

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CIN: U65929KA2016PTC138355



Terms of reference:

- Assist the Board in discharging its responsibilities relating to compensation of the Company's Directors, Key Managerial Personnel (KMP) and Senior Management
- Provide recommendations for equity based plans/ schemes approved by the shareholders
- Review individuals qualified to serve as Directors, KMP and Senior Management and make appropriate recommendations

4. IT Strategy Committee

As on March 31, 2024, the IT Strategy Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2023-24, the IT Strategy Committee met 4 (Four) times on June 29, 2023, September 28, 2023, December 26, 2023 and March 26, 2024. The details of attendance of members and composition are as under:

Sl. No.	Name of the Member	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/Promoter nominee/Independent)	Number of meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Subramaniam Somasundaram	March 13, 2023	Chairperson - Independent Director	4	3	-
2	Mr. Rahul Gupta	March 13, 2023	Member – Executive Director and Chief Executive Officer	4	4	-
3	Mr. Manish Thakkar	March 13, 2023	Member – Chief Operating Officer	4	3	-
4	Mr. Nagaraj Subrahmanya	March 13, 2023	Member – Chief Risk Officer	4	4	-
5	Mr. Sunil Kumar Tadepalli	March 13, 2023	Member – Chief of Partnerships	4	2	-
6	Mr. Lalitesh Katragadda	March 13, 2023	Member – Chief Product Officer	4	0	17,50,000

Note: Mr. Anirudh Sarda was appointed as a member of the Committee on June 26, 2024.

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Terms of reference:

- a) Facilitating and building an effective IT security framework
- b) Assist in aligning IT strategy to business strategy/plan
- c) Approve and periodically review the IT Policy of the Company
- d) Identify the risks affecting IT and managing it by documenting controls and monitoring
- e) Ensure timely and effective resolution of IT issues

Note: As good corporate governance the Company has constituted the following management committees:

1. IT Steering Committee
2. Whistle Blower Committee
3. Internal complaints committee
4. Credit Committee of Executives
5. Employee Stock option Committee-I
6. Outsourcing and Procurement Committee

G. General Body Meetings

During the financial year 2023-24, the general meetings of the shareholders of the Company were held as under:

Sl. No.	Type of Meeting- Annual (AGM) / Extra-Ordinary(EGM)	Date and Place	Special resolutions passed
1	EGM	April 06, 2023 via video conference	To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of the Company
2	EGM	April 24, 2023 via video conference	To approve issuance of Non-convertible Debentures on Private Placement Basis
3	EGM	August 17, 2023 via video conference	To approve issuance of Non-convertible Debentures on Private Placement Basis
4	AGM	August 23, 2023 via video conference	No special resolution was passed in this meeting
5	EGM	October 11, 2023 via video conference	No special resolution was passed in this meeting
6	EGM	March 04, 2024 via video conference	To approve the issuance of Non-convertible Debentures on a Private Placement Basis
7	EGM	March 15, 2024 via video conference	To approve the issuance of Non-convertible Debentures on a Private Placement Basis

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Toll Free Number - 1800 309 5021 | Email: info@avantifinance.in | Web: www.avantifinance.in

CIN: U65929KA2016PTC138355

H. Details of non-compliance with requirements of Companies Act, 2013

The Company has complied with all the applicable provisions of Companies Act, 2013 and rules made thereunder.

I. Details of penalties and strictures

No penalties/strictures were imposed on the Company by the Reserve Bank of India or any other statutory authority or regulator during the period under review.

J. Breach of Covenants

Certain instances of breach of covenants were identified by the Company which were corrected immediately. As on March 31, 2024, no breach of covenants of loan availed or debt securities issued were outstanding.

K. Divergence in Asset Classification and Provisioning

Since there were no additional provisioning requirements assessed by the RBI exceeding 5% of the reported profits before tax and impairment loss on financial instruments and no additional Gross NPAs were identified by the RBI exceeding 5% of the reported Gross NPAs, during the period under review, no disclosure is mandated.

On behalf of Board of Directors

Avanti Finance Private Limited



Mr. Rahul Gupta

Director

DIN: 09247626

Date: September 26, 2024

Place: Bengaluru



Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: September 26, 2024

Place: Pune

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Management Discussion and Analysis

(i) Industry structure and developments.

The economic landscape of India is poised for unprecedented growth with GDP expanding at twice the global economic growth rate. The rural and semi-urban regions, accounting for 70% of the population yet receiving only 21% of financial credit, are crucial for steering the nation towards a sustainable growth path. The microfinance industry grew by 24.5% YoY in FY 2023-24 to cross the momentous INR 4 trillion mark maintaining its global dominance. Microfinance is the biggest source of capital creation at the bottom of the social pyramid. The growth in the customer base of 17% YoY to reach 78 million at the end of March 2024, with more than 45 million coming from rural / semi-urban India reflects the agenda of democratising financial access.

- The pricing of microfinance loans was deregulated with effect from April 1, 2022, but this year there were occasional voices from RBI that MFIs have increased interest rates disproportionately.
- RBI notified increase the risk weights in respect of consumer credit exposure of commercial banks (outstanding as well as new), including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, by 25 percentage points to 125%.
- NBFCs becoming more asset-light by getting into co-lending and Business Correspondent arrangements to optimise use of capital and support profitability. Regulator is silent on NBFC to NBFC co-lending which has grown into a sizable market.

The microfinance industry's future is backed by untapped household penetration, growing nuclear families, priority sector lending status, improving credit data quality, and heightened acknowledgment from the government, making it a critical tool for driving forward the financial inclusion agenda.

(ii) Opportunities and Threats

1. Opportunity:

India has a significant unbanked population, with over 190 million households lacking access to formal banking services. Microcredit is helping to fill this gap. The microfinance institution (MFI) sector in India has been expanding at a CAGR of around 20-25% in recent years. With many households still without formal banking, there is substantial potential to offer financial solutions to underserved communities. The emergence of fintech platforms creates opportunities for collaboration with digital service providers to reach these populations. Additionally, utilizing data analytics and alternative credit scoring methods can enhance the accuracy of credit assessments for potential borrowers, thereby reducing risk.

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The Indian microfinance sector has attracted significant foreign direct investment (FDI), reflecting strong investor confidence. There is an increasing emphasis on incorporating environmental, social, and governance (ESG) practices within the sector. Given its focus, Avanti can tap into ESG funding, including social, gender, and green loans, from international development financial institutions. This shift is likely to bring new lenders and attract investors into the landscape.

2. Threat:

Frequent changes in regulatory policies have created uncertainty for microfinance institutions, affecting their operations and financial stability. Economic downturns, such as those caused by the pandemic or national events, have negatively impacted borrowers' ability to repay loans, resulting in higher delinquency rates.

Many potential clients often lack financial literacy, leading to poor financial choices of take loans from multiple MFIs, resulting in over-indebtedness and raising concerns about their repayment capacity, which heightens the likelihood of defaults.

High attrition rates among partner agents have caused instability in operations and disrupted continuity in borrower engagement. Additionally, past incidents of borrower distress, coupled with significant effects from climate change and macroeconomic factors, have damaged the sector's reputation, making it difficult to attract new commercial investors.

(iii) Segment-wise or product-wise performance

(Rs. in crores)

Segment/ Product	Disbursement	AUM	30+ DPD	90+ DPD
Retail	1471.96	1305.7	39.73	21.49
Institutional	103.64	78.36	11.48	5.56

(iv) Outlook.

Your Company is well-positioned with an established collaborative model and a digital delivery system aimed at the unbanked and underserved segments, making credit access more equitable and seamless. The Company's unique presenceless approach, which leverages existing networks and institutions close to our target customers, will allow for rapid expansion and deeper penetration across the country. Additionally, co-lending partnerships with reputable financial institutions have enhanced the availability of quality capital for low-income borrowers.

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(v) Risks and concerns

	Risk	Mitigation
Credit Risk	Non-repayment of loan by a borrower,	The Company has established a robust credit underwriting framework to assess borrower creditworthiness effectively. Unlike the Joint Liability Group (JLG) structure commonly used in the industry, the Company has consistently employed an individual assessment model. This approach allows for a thorough evaluation of each borrower's creditworthiness. The income assessment model enables precise analysis of household income, ensuring that debt levels are appropriate and not overly burdensome, thereby reducing the likelihood of non-repayment due to liquidity issues faced by borrowers. The Company assesses and identifies target markets, sectors, and geographies for expansion, taking into account its desired levels of diversification and concentration.
Operational Risk	Loss resulting from frauds, misappropriations, robberies, business disruptions due to failed execution of processes or products.	The Company views operational risk management as a fundamental concern due to its operating model and recognizes that effectively identifying and addressing risks is crucial to achieving its corporate objectives. It has established guidelines, principles, and a structured approach to manage operational risks by implementing a framework to identify, assess, measure, monitor, and control these risks in a timely and effective manner. Over the years, the Company has developed a robust partner onboarding framework to evaluate the quality of partners, which serves as the first step toward ensuring smooth operations. Additionally, the partner monitoring framework provides essential oversight and insights into the on-ground activities of partners on a continuous basis. The risk, data analytics and internal audit teams support the business teams by investigating significant fraud incidents and PAR events,

		identifying gaps in controls, and recommending improvements to enhance those controls.
Regulatory Risk	Risk arising on account of non adherence to or changes in regulatory policies/ guidelines	The Company believes that a refined corporate governance framework is essential for consistent business performance. The internal compliance team regularly monitors and ensures adherence to all necessary compliance guidelines. Additionally, the in-house technology enables the Company to make agile adjustments to processes as needed, facilitating timely updates in response to regulatory requirements.
Liquidity Risk	Maintaining a sufficient liquidity buffer on a continuous basis	The Company adheres to the prudential limits for structural liquidity as prescribed by the Regulator. Company further follows a robust liquidity risk management to ensure maintenance of sufficient liquidity. The Company conducts stress testing involving various adverse scenarios and cashflow analysis to evaluate the robustness of liquidity position and takes corporate actions on timely basis to ensure sufficient liquidity at all times. Further The Asset Liability Management Committee (ALCO) assists the Risk Committee in evaluating risks emanating from Asset-liability mismatch, Interest rate risk, various aspects of liquidity risk management such as specifying the appropriate liquidity risk tolerance, internal product pricing, the funding strategy, stress testing and developing contingency plans etc., from time to time.
Interest Rate Risk	This arises on account of interest rate related fluctuations which could have a potential impact on earnings if the assets and liabilities have a mismatch in tenure.	The Company adopts pricing based on its own cost of funds, operating costs, liquidity carry cost and business risk premium. As a result, the interest rate risk is significantly mitigated.

IT Risk	Information systems are subject to serious threats by exploiting vulnerabilities to compromise the confidentiality, integrity, or availability of the information being processed, stored, or transmitted by the systems.	The Company utilizes a digital delivery model and is aware of the associated risks. Protecting information security is a top priority to prevent any leakage of client data. To enhance its systems and processes, the Company conducts an annual information security audit and penetration testing of the Avanti web platform and mobile application to identify vulnerabilities and make necessary improvements. Periodic training and awareness are given to individual employees on Information security and Cyber security.
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(vi) Material developments in Human Resources/Industrial Relations front, including number of people employed.

	As on Mar 31, 2023	New Joiners During FY24	Exit Employees During FY24	As on Mar 31, 2024
Employee Addition Details	64	46	16	94

On behalf of Board of Directors

Avanti Finance Private Limited



Mr. Rahul Gupta

Director

DIN: 09247626

Date: September 26, 2024

Place: Bengaluru




Dr. Vijay Laxman Kelkar

Director

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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 2024, the Consolidated Statement of Profit and Loss ((including Other Comprehensive Income/loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year ended on that date, 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, and based on the consideration of reports of other auditor on separate financial statements of such subsidiary as were audited by the other auditor, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (‘Ind AS’) and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31 March 2024, and its Consolidated Loss and Other Comprehensive Income/loss, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

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 along with the consideration of audit reports of the other auditor referred to in the ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.



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 Board of Directors is responsible for the matters stated in Section 134(5) 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, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.

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 829.33 lakhs as at 31st March 2024 and total Profit of Rs 71.34 lakhs for the year ended as on that date as considered in the consolidated financial statements. These financials have been audited by the other auditor whose report has 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 report of the other auditor.

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, the report of the other auditor and the financial statements certified by the management.

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, based on our audit of the Holding Company and consideration of report of the other auditor on separate financial statement of the Subsidiary, we report, to the extent applicable, 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 relating to the preparation of the aforesaid Consolidated Financial Statements 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account and records maintained for the purpose of preparation of Consolidated Financial Statements;
 - i. In our opinion, the aforesaid Consolidated Financial Statements comply with Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS");



- d. 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, 2024, none of the directors of the group is, disqualified as on March 31, 2024, from being appointed as a director of the respective company in terms Section 164 (2) of the Act.
 - e. 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.
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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary:
- a. The Group has disclosed the impact of pending litigations as at March, 2024, on its financial position in its financial statement- Refer Note No. 47 in the Notes to Accounts forming part of the 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, 2024; and
 - d. (i) a) The respective Management of the Holding Company and its subsidiary, have represented to us and the other auditor respectively that, to the best of their knowledge and belief, as disclosed in the note 48 h (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 Holding Company and its Subsidiary have represented to us and the other auditor respectively that, to the best of their knowledge and belief, as disclosed in the note 48 h (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 such audit procedures performed by us and the other auditor on Holding company and its Subsidiary respectively that have been considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub clause (i) and (ii) contain any material misstatement.
- e. The Holding Company and its Subsidiary have not declared or paid any dividend during the year.
- f. 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.
- g. 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the Reporting on Audit Trail as per the proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is given as follows: -

Based on our examination which included test checks, and based on the reports of the respective auditor of Holding and Subsidiary Company incorporated in India, the Holding Company and its Subsidiary have used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.



As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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	U65929KA2016PTC138355	Holding Company	(vii) (a)
2	Private Limited			(xi) (a)

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

Murtuza Vajih
Partner



Membership No.: 112555
UDIN: 24112555BKZ44410
Place: Mumbai
Date: September 26, 2024

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls 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** ("the Holding Company") and its Subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") as at and for the year ended 31st March 2024, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary, 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 are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the respective 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 respective Companies' 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 Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary, as aforesaid, 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor, in terms of their report referred to in the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our adverse audit opinion on the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and its Subsidiary as aforesaid

Meaning of Internal Financial Controls over financial reporting with reference to Consolidated Financial Statements

A Company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated



Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 auditor 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, 2024, 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

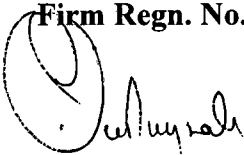
The internal financial controls with reference to financial statements in so far it relates to the Subsidiary have been audited by other auditor whose report have been furnished to us by the management of the Holding Company and our report on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its Subsidiary, as aforesaid, under section 143(3)(i) of the Act in so far it relates to such Subsidiary is solely based on the report of the other auditor.

Our opinion is not modified in respect of our reliance on the work done by and on the report of the other auditor.

For M. P. Chitale & Co.

Chartered Accountants

Firm Regn. No.101851W



Murtuza Vajihi

Partner

Membership No.: 112555

UDIN: 24112555 BKC ZAU 4410

Place: Mumbai

Date: September 26, 2024

Avanti Finance Private Limited
Consolidated Balance Sheet as at March 31, 2024

					(Rs. In Lakhs)
Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022	
ASSETS					
1 Financial assets					
(a) Cash and cash equivalents	6	20,645.65	20,659.45	2,863.60	
(b) Bank balance other than cash and cash equivalents	7	3,618.15	11.23	49.65	
(c) Trade Receivables	8	275.15			
(d) Loans	9	93,780.75	54,466.88	35,512.13	
(e) Investments	10	-	400.27	-	
(f) Other financial assets	11	1,307.07	24.48	29.09	
2 Non-financial assets					
(a) Property, plant and equipment	12	37.92	32.82	50.72	
(b) Right of use assets	13	139.54	69.60	5.45	
(c) Intangible assets	14	1,496.79	601.39	1,836.12	
(d) Goodwill		747.32	747.32	747.32	
(e) Other non-financial assets	15	3,389.12	772.66	892.46	
Total Assets		1,25,437.47	77,786.10	41,986.54	
LIABILITIES AND EQUITY					
1 Financial liabilities					
(a) Trade payable					
(i) Total outstanding dues of micro enterprises and small enterprises	16	89.26			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	208.09	155.01	326.27	
(b) Borrowings- Debt securities	17	34,192.49	16,291.51	14,804.34	
- Borrowings (other than debt securities)	18	61,048.53	32,723.51	10,991.34	
- Subordinated liabilities		-	-	-	
(c) Other financial liabilities	19	911.46	158.50	198.44	
2 Non-financial liabilities					
(a) Provisions	20	1,609.36	1,094.88	705.64	
(b) Other non-financial liabilities	21	1,346.98	1,006.51	551.02	
3 Equity					
(a) Equity share capital	22	15,090.72	15,083.22	14,903.22	
(b) Instruments entirely Equity in nature	22	24,512.30	23,084.22	15,600.00	
(c) Other equity	23	(13,571.72)	(11,811.26)	(16,093.73)	
Total Liabilities and Equity		1,25,437.47	77,786.10	41,986.54	

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements 1-51

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants



Murtuza Vajihi
Partner



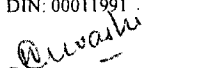
For and on behalf of the Board of Directors



Dr. Vijay Laxman Kelkar
Director
DIN: 00011991



Mr. Rishi Gupta
Director
DIN: 09247626


Ms. Urvashi P. Bahirsheth
Company Secretary

Place: Mumbai

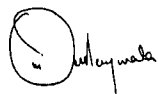
Avanti Finance Private Limited
Consolidated statement of Profit and Loss for the year ended March 31, 2024

					(Rs. In Lakhs)	
		Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	
		Revenue from operations				
	(i)	Interest income	24	21,894.48	10,547.00	
	(ii)	Fees and Commission	25	1,162.41	19.39	
	(iii)	Net gain on fair value changes on investments	26	274.06	42.19	
	(iv)	Net gain on derecognition of financial instruments		818.15	-	
(I)		Total Revenue from operations		24,149.10	10,608.59	
(II)		Other Income	27	1,060.61	305.82	
(III)		Total Income (I + II)		25,209.71	10,914.40	
		Expenses				
	(i)	Finance cost	28	8,219.06	4,339.90	
	(ii)	Fee and commission expenses	29	7,461.13	3,089.38	
	(iii)	Impairment of financial instruments	30	3,179.50	2,853.62	
	(iv)	Employee benefit expenses	31	3,650.54	2,818.80	
	(v)	Depreciation, amortization and impairment	32	526.56	478.68	
	(vi)	Write off of Intangible asset	32	-	1,468.29	
	(vii)	Hosting and Licensing Fee		1,471.40	1,422.85	
	(viii)	Other expenses	33	2,019.63	1,477.08	
(IV)		Total Expenses		26,527.81	17,948.60	
(V)		Profit/(loss) before tax (III - IV)		(1,318.10)	(7,034.20)	
(VI)		Exceptional items				
(VII)		Profit/(loss) before tax (V- VI)		(1,318.10)	(7,034.20)	
(VIII)		Tax Expense:				
	(i)	Current tax		-	-	
(IX)		Profit/(loss) for the period		(1,318.10)	(7,034.20)	
		Other Comprehensive Income				
A)		Items that will not be classified to profit or loss				
	(i)	Remeasurement gain/ (loss) of defined benefit plans	35	(1.26)	(9.26)	
	(ii)	Tax impact thereon				
		Subtotal (A)	35	(1.26)	(9.26)	
B)		Items that will be classified to profit or loss				
	(i)	Fair value gain/ (loss) on debt instruments measured at FVOCI				
	(ii)	Tax impact thereon				
		Subtotal (B)		-	-	
		Other Comprehensive Income (A + B)		(1.26)	(9.26)	
		Total Comprehensive Income for the period (VII + VIII)		(1,319.36)	(7,043.47)	
		Earnings per equity share				
		Basic (Rs.)	34	(0.87)	(4.67)	
		Diluted (Rs.)	34	(0.87)	(4.67)	

Refer Summary of material accounting policies and accompanying notes 1-51 which form an integral part of the financial statements

In terms of our report attached

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

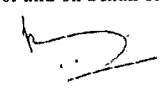

Murtuza Vajih
Partner

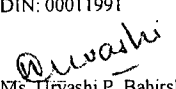


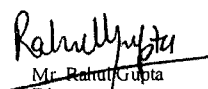
Place: Mumbai



For and on behalf of the Board of Directors


Dr. Vijay Laxman Kelkar
Director
DIN: 00011991


Ms. Urvashi P. Bahirsheth
Company Secretary


Mr. Rahul Gupta
Director
DIN: 09247626

Avanti Finance Private Limited
Consolidated Cash Flow Statement for the year ended March 31, 2024

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities		
Profit before tax	(1,318.10)	(7,034.20)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	526.56	478.68
Write off intangible asset		1,468.29
Impairment on financial instruments	3,179.50	2,853.62
Loans allowance on financial guarantee	63.64	
Finance cost	8,219.06	4,339.90
Interest income on deposits	(186.37)	(141.76)
Net gain on fair value changes on investments	(274.06)	(42.19)
ESOP compensation expense	167.19	30.50
Operating Profit Before Working Capital Changes	10,377.41	1,952.84
Working capital changes		
(Increase) / Decrease in Trade receivables	(277.75)	-
(Increase) / Decrease in Loans	(42,491.21)	(21,807.36)
(Increase) / Decrease in Other financial asset	(1,282.58)	4.60
(Increase) / Decrease in Other non financial asset	(2,616.46)	119.79
Increase / (Decrease) in Trade and Other payables	142.35	(171.26)
Increase / (Decrease) in Other financial liabilities	752.74	(40.28)
Increase / (Decrease) in Other non financial liabilities	340.46	455.49
Increase / (Decrease) in Provision	450.03	378.97
(Increase) / Decrease in Bank Balance other than cash and cash equivalent	(3,606.92)	38.42
Cash flows from/(used in) operating activities before tax	(38,211.94)	(19,068.77)
Interest paid on borrowings	(8,219.06)	(4,339.90)
Income tax paid	-	-
Net cash flows from/(used in) operating activities	(46,431.00)	(23,408.67)
Investing activities		
Net acquisition of fixed and intangible assets	(1,496.99)	(758.50)
Investment in mutual funds	400.27	(400.27)
Interest received on deposits	186.37	141.76
Interest received on Mutual funds	274.06	42.19
Net cash flows from/(used in) investing activities	(636.29)	(974.82)
Financing activities		
Proceeds from issue of shares	1,435.57	7,664.22
Security premium	2,671.93	8,015.78
Share application money received	(3,279.99)	3,279.99
Net receipts/Payments from borrowings	46,225.99	23,219.34
Net cash flows from financing activities	47,053.50	42,179.34
Net increase in cash and cash equivalents	(13.79)	17,795.84
Net foreign exchange difference	-	-
Cash and cash equivalents at 1 April	20,659.45	2,863.60
Cash and cash equivalents at reporting date	20,645.66	20,659.45
Components of Cash and Cash Equivalents:		
Cash on hand	20.70	-
Balances with Banks		
- in current accounts	5,542.79	19,384.88
- Bank deposit with maturity of less than 3 months	15,082.16	1,274.57
Total	20,645.65	20,659.45

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements

1-51

In terms of our report attached

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

Murtuza Vajih
Partner



Place: Mumbai

For and on behalf of the Board of Directors

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Mr. Rahul Gupta
Director
DIN: 09247626

Ms. Urvashi P. Bahirsheth
Company Secretary

Avanti Finance Private Limited
Statement of Change in Equity for the year ended March 31, 2024

Reconciliation of Shares outstanding	
Equity share capital	(Rs. In lakhs)
Particulars	Amount
Equity share of Rs. 10 each fully paid up as at 31 March 2022	14,903.22
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 31 March 2022	14,903.22
Changes during the year ended 31 March 2023	180.00
Equity share of Rs. 10 each fully paid up as at 31 March 2023	15,083.22
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the 31 March 2023	15,083.22
Changes during the year ended 31 March 2024	7.50
Equity share of Rs. 10 each fully paid up as at 31 March 2024	15,090.72

Instruments entirely Equity in nature	
Particulars	(Rs. In lakhs)
Particulars	Amount
Share of Rs. 10 each fully paid up as at 31 March 2022	15,600.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 31 March 2022	15,600.00
Changes during the year ended 31 March 2023	7,484.22
Shares of Rs. 10 each fully paid up as at 31 March 2023	23,084.22
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the 31 March 2023	23,084.22
Changes during the year ended 31 March 2024	1,428.07
Shares of Rs. 10 each fully paid up as at 31 March 2024	24,512.30

b. Other Equity						(Rs. In lakhs)
Particulars	Reserves and Surplus					Total
	Securities Premium Account	ESOP reserve	Retained Earnings	Share Application Money	Other comprehensive income	
Balance as at April 01, 2022	-	41.39	(16,130.92)	-	(4.20)	(16,093.73)
Dividends including tax	-	-	(0.34)	-	-	(0.34)
Transfer to/ from retained earnings	-	-	-	-	-	-
Other Additions / Deductions during the year	-	30.50	-	3,279.99	-	3,310.49
Premium received during the year	8,015.78	-	-	-	-	8,015.78
Profit (loss) for the year after income tax	-	-	(7,034.20)	-	-	(7,034.20)
Other Comprehensive Income for the year before income tax	-	-	-	-	(9.26)	(9.26)
Less: Income Tax	-	-	-	-	-	-
Balance as at March 31, 2023	8,015.78	71.89	(23,165.46)	3,279.99	(13.46)	(11,811.26)
Dividends including tax	-	-	(0.22)	-	-	(0.22)
Transfer to/ from retained earnings	-	167.19	-	-	-	167.19
Other Additions / Deductions during the year	-	-	-	-	-	-
Premium received during the year	2,671.93	-	-	-	-	2,671.93
Profit (loss) for the year after income tax	-	-	(1,318.10)	-	-	(1,318.10)
Other Comprehensive Income for the year before income tax	-	-	-	-	(1.26)	(1.26)
Less: Income Tax	-	-	-	-	-	-
Balance as at March 31, 2024	10,687.70	239.08	(24,483.77)	-	(14.72)	(13,571.71)

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements

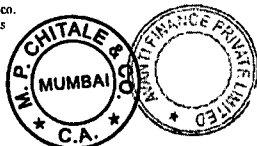
1-51

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajithi
Murtuza Vajithi
Partner

Place: Mumbai



For and on behalf of the Board of Directors

Dr. Vijay Laxman Kelkar
Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Ms. Urvashi P. Bahirsheth
Company Secretary

Mr. Rohit Gupta
Mr. Rohit Gupta
Director
DIN: 09247626

Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

4. EXPLANATION OF TRANSITION TO IND AS

The Consolidated Financial Statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2023. Previous year figures have been restated to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of financial statements under IGAAP to Ind AS of Shareholders' equity as at March 31, 2023 and April 1, 2022 and of the comprehensive net income for the period ended March 31, 2023.

Exemptions from retrospective application:

a) Depreciation on Fixed Assets

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2022.

b) Investments in subsidiaries

The Company has elected to adopt the carrying value under IGAAP as on the date of transition i.e. April 1, 2022 in its separate financial statements.

5. Reconciliations between IGAAP and Ind AS

i. Statement of reconciliation of equity

Particulars	(Rs. In lakhs)	
	As at March 31, 2023	As at March 31, 2022
Equity as reported under IGAAP (belonging to Owner)	22,533.93	14,896.35
a) Reclassification of CCDS into Borrowings	2,500.00	2,500.00
b) Impairment allowance on financial instruments measured at amortised cost	(2,074.45)	(3,203.70)
c) Impact of EIR method on financial instruments measured at amortised cost	120.15	216.87
d) Impact of Depreciation on Right of use of Assets	(33.96)	(0.19)
e) impact of interest on Lease Liability and rent reversals	28.46	0.16
f) impact of Interest on security deposit	2.06	0.01
g) share application money pending for allotment	3,279.99	-
Equity as reported under Ind AS (belonging to Owner)	26,356.18	14,409.49

ii. Statement of reconciliation of Total Comprehensive income

Particulars	(Rs. In lakhs)	
	As at March 31, 2023	
Net profit attributable to Group as reported under IGAAP	(8,153.93)	
a) Impairment allowance on financial instruments measured at amortised cost	1,129.25	
b) Impact of EIR method on financial instruments measured at amortised cost	(96.72)	
c) Liability for cash settled and equity settled ESOP's	81.34	
d) Impact of Depreciation on Right of use of Assets	(33.77)	
e) impact of interest on Lease Liability and rent reversals	28.31	
f) impact of Interest on security deposit	2.05	
Net Profit as reported under Ind AS	(7,043.47)	



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

iv. Reconciliation of Balance Sheet as at March 31, 2023

(Rs. In lakhs)

I ASSETS		As per IGAAP	Reclassification	Remeasurement	As per IND AS
1 Financial Assets		As at March 31, 2023			
a	Cash and Cash equivalents	20,661.85	(2.40)	-	20,659.45
b	Bank balance other than (a) above	-	11.23	-	11.23
c	Receivables	-	-	-	-
	Trade receivable	-	-	-	-
	Other receivable	-	-	-	-
d	Loans (receivable under financing activity)	60,209.54	(3,412.46)	(2,330.20)	54,466.88
e	Investments	400.27	-	-	400.27
f	Other financial assets	624.35	(594.26)	(5.61)	24.48
	Total	83,296.93	(3,252.34)	(2,258.50)	77,786.10
2 Non-financial assets		-	-	-	-
a	Property, Plant and Equipment	32.82	-	-	32.82
b	Right-of-use assets	-	-	69.60	69.60
c	Intangible assets	601.39	-	-	601.39
d	Goodwill	747.32	-	-	747.32
e	Other non financial assets	19.40	745.55	7.71	772.66
	Total	83,296.93	(3,252.34)	(2,258.50)	77,786.10
II Liabilities and Equities					
Liabilities					
1 Financial Liabilities					
a	Payables	-	-	-	-
	Trade payables	-	-	-	-
	Total outstanding due to Micro and Small Enterprises	-	-	-	-
	Total outstanding of other than Micro and Small Enterprises	155.01	-	-	155.01
	Other payables	-	-	-	-
b	Debt Securities	18,800.00	(2,332.34)	(176.16)	16,291.51
c	Borrowing (other than debt securities)	32,431.64	484.93	(193.05)	32,723.51
d	Other financial liabilities	370.99	(281.78)	69.30	158.50
	Total	83,296.93	(3,252.34)	(2,258.50)	77,786.10
2 Non-financial Liabilities		-	-	-	-
a	Current tax liabilities (net)	-	-	-	-
b	Provisions	4,718.86	(3,624.99)	1.01	1,094.88
c	Other Non-financial liabilities	1,006.51	-	-	1,006.51
	Total	83,296.93	(3,252.34)	(2,258.50)	77,786.10
EQUITY					
a	Equity share capital	35,667.44	(20,584.22)	-	15,083.22
b	Instruments entirely Equity in nature	-	23,084.22	-	23,084.22
c	Other Equity	(13,133.51)	3,279.99	(1,957.74)	(11,811.26)
d	Share / Debenture Application Money pending Allotment	3,279.99	(3,279.99)	-	-
	Total	83,296.93	(3,254.19)	(2,256.64)	77,786.10



v. Reconciliation of Balance Sheet as at April 01, 2022

(Rs. In lakhs)

I ASSETS		As per IGAAP	Reclassification	Remeasurement	AS per IND AS
I Financial Assets		As at April 1, 2022			
a	Cash and Cash equivalents	2,861.47	2.12	-	2,863.60
b	Bank balance other than (a) above	49.65	-	-	49.65
c	Receivables	-	-	-	-
	Trade receivable	-	-	-	-
	Other receivable	-	-	-	-
d	Loans (receivable under financing activity)	40,051.16	(1,183.40)	(3,355.61)	35,512.13
e	Investments	-	-	-	-
f	Other financial assets	115.67	(85.93)	(0.65)	29.09
		-	-	-	-
2 Non-financial assets		-	-	-	-
a	Property, Plant and Equipment	50.72	-	-	50.72
b	Right-of-use assets	-	-	5.45	5.45
c	Intangible assets	1,836.12	-	-	1,836.12
d	Goodwill	747.32	-	-	747.32
e	Other non financial assets	9.88	877.72	4.85	892.46
	Total	45,721.99	(389.49)	(3,345.96)	41,986.54
II Liabilities and Equities					
I Financial Liabilities					
a	Derivative financial liabilities				-
b	Payables				-
	Trade payables				-
	Total outstanding due to Micro and Small Enterprises				-
	Total outstanding of other than Micro and Small Enterprises	326.27	-	-	326.27
	Other payables	-	-	-	-
c	Debt Securities	17,500.00	(2,379.08)	(316.58)	14,804.34
d	Borrowing (other than debt securities)	11,006.13	32.55	(47.34)	10,991.34
e	Other financial liabilities	347.08	(153.47)	4.83	198.44
		-	-	-	-
2 Non-financial Liabilities		-	-	-	-
a	Current tax liabilities (net)	-	-	-	-
b	Provisions	1,110.90	(405.27)	-	705.64
c	Other Non-financial liabilities	535.26	15.78	-	551.02
		-	-	-	-
EQUITY		-	-	-	-
a	Equity share capital	28,003.22	(13,100.00)	-	14,903.22
b	Instruments entirely Equity in nature	-	15,600.00	-	15,600.00
c	Other Equity	(13,106.87)	-	(2,986.86)	(16,093.73)
	Total	45,721.99	(389.49)	(3,345.96)	41,986.54



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

vi. Statement of reconciliation of Profit and Loss for the year ended March 31, 2023

(Rs. In Lakhs)					
	Particulars	As per IGAAP	Reclassification	Remeasurement	As per IND AS
	Revenue from operations				
(i)	Interest income	10,105.34	544.47	(102.81)	10,547.01
(ii)	Fees and Commission	1,043.11	(1,023.72)	-	19.39
(iii)	Ancillary income	-	-	-	-
(iii)	Net gain on fair value changes on investments	-	42.19	-	42.19
(iv)	Net gain on derecognition of financial instruments	-	-	-	-
		-	-	-	-
(I)	Total Revenue from operations	11,148.45	(437.06)	(102.81)	10,608.59
(II)	Other Income	218.05	87.77	-	305.82
(III)	Total Income (I + II)	11,366.51	(349.29)	(102.81)	10,914.40
	Expenses				
(i)	Finance cost	4,305.10	(213.09)	247.89	4,339.90
(ii)	Fee and commission expenses	3,422.63	(333.24)	-	3,089.38
(iii)	Net loss on fair value changes	-	-	-	-
(iv)	Net loss of derecognition of financial instruments under amortised cost category	-	-	-	-
(iii)	Impairment of financial instruments	4,011.63	(28.76)	(1,129.25)	2,853.62
(iv)	Employee benefit expenses	2,909.41	-	(90.61)	2,818.80
(v)	Depreciation, amortization and impairment	444.92	-	33.77	478.68
(vi)	Write off of Intangible asset	1,468.29	-	-	1,468.29
(vii)	Hosting and Licensing Fee	1,422.85	-	-	1,422.85
(viii)	Other expenses	1,535.61	(21.26)	(37.27)	1,477.08
(IV)	Total Expenses	19,520.44	-	-	17,948.60
(V)	Profit/(loss) before tax (III - IV)	(8,153.93)	-	-	(7,034.20)
(VI)	Exceptional items				
(VII)	Profit/(loss) before tax (V - VI)	(8,153.93)	-	-	(7,034.20)
(VIII)	Tax Expense:				
(i)	Current tax				
(IX)	Profit/(loss) for the period	(8,153.93)	-	-	(7,034.20)
	Other Comprehensive Income				
A)	Items that will not be classified to profit or loss				
(i)	Remeasurement gain/ (loss) of defined benefit plans	-	-	(9.26)	(9.26)
(ii)	Tax impact thereon	-	-	(9.26)	(9.26)
	Subtotal (A)	-	-	(9.26)	(9.26)
B)	Items that will be classified to profit or loss				
(i)	Fair value gain/ (loss) on debt instruments measured at FVOCI	-	-	(9.26)	(9.26)
(ii)	Tax impact thereon	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other Comprehensive Income (A + B)	-	-	(9.26)	(9.26)
	Total Comprehensive Income for the period (VII + VIII)	(8,153.93)	-	-	(7,043.47)



Avanti Finance Private Limited

Notes forming part of Consolidated financial statements

vii. EXPLANATION OF TRANSITION TO IND AS

Note: Explanation to IND AS adjustments:

a. Reclassification of Compulsorily Convertible Debentures into Instruments entirely Equity in nature

Under IGAAP the CCDs formed part of borrowings. Due to reclassification under IND AS CCDs has been classified under Instruments entirely Equity in nature which has resulted in increase of Equity share capital by INR 2500.00 Lakhs as on March 31, 2023 and April 01, 2022 and corresponding decrease in borrowing.

b. Impairment allowance on Financial Instruments at Amortised cost

As per Ind AS 109, the Group is required to apply Expected Credit Loss (ECL) model for stage 1 assets (DPD less than or equal to 29 days), stage 2 assets (DPD equal to 30 days and less than 89 days) and stage 3 assets (DPD equal to 90 days or more) based on assessment of level of credit risk and recognise the impairment allowance on loans.

Consequent to the above, the impairment allowance increased by INR 2074.45 lakh as at March 31, 2023 (April 01, 2022 INR 3203.70 lakh). Consequently, the total equity as at March 31, 2023 decreased by INR 2074.45 lakh (April 01, 2022 INR 3203.70 lakh) and profit for the year ended March 31, 2023 decreased by INR 1129.25 lakh.

c. Interest as per effective interest rate on financial assets and Liabilities measured at amortised cost:

1. Loans and Advance

Under IGAAP, processing fees, platform fee income and direct sourcing cost were accounted upfront. Under Ind AS, such income and expenses are required to be amortised over the behavioural tenure. The unamortised processing fees and platform fee are recorded as a liability and correspondingly equity is decreased. The unamortised direct sourcing agency cost is decreased and accordingly, the equity is reduced.

2. Security Deposit

Under IGAAP, interest free security deposits given to landlords for premises rented, was recorded as an asset, while rent was booked as an expense as per the rental agreement. Under Ind AS, interest free security deposit is required to be discounted based on the internal cost of borrowings. The difference between the discounted present value of the security deposit and the actual security deposit given to the landlords is required to be recorded as Right of use of assets. This Right of use of assets is amortised on a straight-line basis over life of the security deposit in line with Ind AS 17. The interest income representing the differential between the security deposit given and the present value of the security deposit given is recorded in such a manner that the difference between rental expense and interest income nullifies itself at the end of tenure of the security deposit, as per Ind AS 109.

3. Financial liabilities

Under IGAAP, processing fees and direct borrowing cost were accounted upfront. Under Ind AS, such expenses are required to be amortised over the behavioural tenure. The unamortised processing fees and other borrowing cost are recorded as an asset and correspondingly equity is increase.

The total equity as at March 31, 2023 Increased by INR 122.21 lakh (April 01, 2022 INR 216.87 lakh) and interest income in the Statement of Profit and Loss for the year ended March 31, 2023 decreased by INR 94.66 lakh.



Avanti Finance Private Limited**Notes forming part of Consolidated financial statements**

6: Cash and cash equivalents			(Rs. In Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Cash on hand	20.70	-	-
Balances with Banks			
- in current accounts	5,542.79	19,384.88	1,017.43
- Bank deposit with maturity of less than 3 months	15,082.16	1,274.57	1,846.18
Total	20,645.65	20,659.45	2,863.60

Note: Deposit Accounts includes lien marked FD for PTC transaction of INR 59.32 Lakhs for FY 22-23

7: Bank balance other than cash and cash equivalents			(Rs. In Lakhs)
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Deposit with original maturity for more than three months but less than twelve months	3,305.39	-	49.65
Other Bank Balances	312.76	11.23	-
Total	3,618.15	11.23	49.65

Note: Deposit Accounts includes Lien marked FD for colending arrangements of INR 1,713.58 Lakhs for FY 23-24.



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

8: Trade Receivables

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
(i) Trade receivables			
Receivable considered good - Unsecured	277.75	-	-
Total	277.75	-	-
Provision for impairment for:			
Receivable considered good - Unsecured	(2.60)	-	-
Total Net receivable	275.15	-	-

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables aging schedule as on 31 March 2024

(Rs. In Lakhs)

Particulars	Unbilled Dues	Outstanding for following periods from date of transaction					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	277.75	-	-	-	-	277.75
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-



Avanti Finance Private Limited**Notes forming part of Consolidated financial statements****9: Loans****(Rs. In Lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
At Amortised Cost			
(A)			
i) Term loans	96,158.68	60,165.33	39,105.33
ii) Working Capital Loans	1,431.90	-	-
Total (A) - Gross	97,590.58	60,165.33	39,105.33
Less : Impairment loss allowance	(3,809.83)	(5,698.45)	(3,593.20)
Total (A) - Net	93,780.75	54,466.88	35,512.13
(B)			
I) Secured by Fixed Deposit/ Cash collateral	3,478.40	2,964.47	2,425.81
II) Unsecured	94,112.18	57,200.86	36,679.52
Total (III) - Gross	97,590.58	60,165.33	39,105.33
Less : Impairment loss allowance	(3,809.83)	(5,698.45)	(3,593.20)
Total (III) - Net	93,780.75	54,466.88	35,512.13
Total (I+II+III) - Net	93,780.75	54,466.88	35,512.13
(C)			
i) Public Sector		-	-
ii) Others	97,590.58	60,165.33	39,105.33
Total (C) - Gross	97,590.58	60,165.33	39,105.33
Less: Impairment Loss Allowance (C)	(3,809.83)	(5,698.45)	(3,593.20)
Total (C) - Net	93,780.75	54,466.88	35,512.13

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.



Avanti Finance Private Limited**Notes forming part of Consolidated financial statements****10. Investments****(Rs. In Lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Measured at fair value through profit and loss			
Mutual funds	-	400.27	-
Measured at cost			
Unquoted: Investment in Equity shares of subsidiary	-	-	-
Total	-	400.27	-
Investments within India	-	400.27	-
Investments Outside India	-	-	-



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

11: Other financial assets (Rs. in lakhs)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Security deposits	20.82	24.48	29.09
Interest strip asset on assignment	885.69	-	-
Other receivable	400.56	-	-
Total	1,307.07	24.48	29.09

13: Right of use of assets (Rs. in lakhs)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Opening carrying value	69.60	5.45	-
Addition during the year	162.92	97.92	5.64
Termination during the year	48.55	-	-
Depreciation for the year	44.43	33.77	0.19
Closing Carrying value	139.54	69.60	5.45

14: Intangible Assets (Rs. in lakhs)	
Particulars	Amount
Cost:	
At April 1, 2022	1,836.12
Gross book value At 1st April 2022	1,836.12
Additions	649.43
Disposals	-
At March 31, 2023	2,485.56
Additions	1,298.87
Disposals	-
At March 31, 2024	3,784.42
Accumulated amortisation	
At April 1, 2022	-
Disposals	1,468.29
Amortisation charge for the year ended March 31, 2023	415.87
At March 31, 2023	1,884.16
Disposals	-
Amortisation charge for the year ended March 31, 2024	403.47
At March 31, 2024	2,287.64
Net book value:	
At 31 March 2022	1,836.12
At March 31, 2023	601.39
At March 31, 2024	1,496.79

Note: As per management assessment there are no probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

15: Other Non-financial assets (Rs. in lakhs)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Advance tax	230.99	54.08	26.96
Balance receivable from Govt. authority	896.66	616.15	341.71
Prepaid expenses	49.87	49.91	22.12
Capital Advances	2,145.00	-	-
Advance to Supplier	66.61	33.11	491.78
Other Receivables	-	19.40	9.88
Total	3,389.12	772.66	892.46



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

12: Property, plant and equipment						(Rs. in Lakhs)
Particulars	Office equipment	Electronic equipment	Computers	Furniture & Fixtures	Server and Network equipment	Total
Cost:						
At April 1, 2022	1.78	(0.00)	42.13	2.66	4.15	50.72
Gross book value At 1st April 2022	1.78	(0.00)	42.13	2.66	4.15	50.72
Additions	2.39	7.63	-	1.13		11.15
Disposals						-
At March 31, 2023	4.17	7.63	42.13	3.79	4.15	61.87
Additions	2.98	49.01	29.26	2.50	-	83.75
Disposals		(0.46)				
At March 31, 2024	7.15	56.18	71.39	6.29	4.15	145.62
Accumulated depreciation						
Disposals	-	-	-	-	-	-
Depreciation charge for the year	0.70	7.63	18.17	1.46	1.08	29.05
At March 31, 2023	0.70	7.63	18.17	1.46	1.08	29.05
Disposals	-	(0.46)	-	-	-	(0.46)
Depreciation charge for the year	1.42	49.01	24.30	2.83	1.09	78.65
At March 31, 2024	2.12	56.18	42.47	4.30	2.17	107.24
Net book value:						
At 1 April 2022	1.78	(0.00)	42.13	2.66	4.15	50.72
At March 31, 2023	3.47	(0.00)	23.96	2.33	3.07	32.82
At March 31, 2024	5.03	(0.00)	28.91	2.00	1.98	37.92

Note: There is no Capital work in progress as at March 31, 2024 (Nil for March 31, 2023 and April 01, 2022)



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

16. Trade payables

(Rs. In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Dues to micro enterprises and small enterprises (refer note 47 for dues to Micro, Small and Medium enterprise)	89.26	-	-
Dues to creditors other than micro	208.09	155.01	326.27
Total	297.36	155.01	326.27

(A) Trade Payable Ageing schedule as on 31 March 2024

(Rs. In Lakhs)

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		89.26				89.26
(ii) Others		207.36	0.12	0.31	0.31	208.09
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(B) Trade Payable Ageing schedule as on 31 March 2023

(Rs. In Lakhs)

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		149.91	4.78	0.31		155.01
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(C) Trade Payable Ageing schedule as on 01 April 2022

(Rs. In Lakhs)

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		326.27				326.27
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

Note:17 Debt Securities		(Rs. in Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
At amortised cost			
Bonds/ Debentures			
Secured Non-Convertible Debentures			
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,525.15		
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	1,703.58		
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,473.23		
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	4,937.83		
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	10,201.65	-	-
12% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,553.07	9,997.59	8,514.47
12.75% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,997.98	2,993.92	2,989.87
	-		
Unsecured Non-Convertible Debentures -Unlisted			
5% Unsecured, Redeemable, Non-Convertible Debentures	1,800.00	3,300.00	3,300.00
Total (A)	34,192.49	16,291.51	14,804.34
Debt securities in India	32,392.49	12,991.51	11,504.34
Debt securities outside India	1,800.00	3,300.00	3,300.00

Note: All secured NCDs issued by the Company are secured by exclusive charge on the Company's receivables.

Details of Redeemable Non-Convertible Debentures		Principal Outstanding balance as on year end				
Particulars	As at March 31, 2024 (Rs. In Lakhs)	As at March 31, 2023 (Rs. In Lakhs)	As at April 1, 2022 (Rs. In Lakhs)	Date of redemption	Nominal value per debenture	Total number of debentures
Non-Convertible Debentures						
12.75% Secured, Redeemable, Unlisted, Non-Convertible Debentures	3,000.00	3,000.00	3,000.00	30/09/2024	10,00,000	300.00
5% Unsecured, Redeemable, Non-Convertible Debentures	1,800.00	3,300.00	3,300.00	03/11/2024	1,00,000	1,800.00
12% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,500.00	10,000.00	8,700.00	04/02/2025	1,00,000	7,500.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,500.00	-	-	26/04/2025	10,00,000	250.00
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	1,714.29	-	-	17/05/2025	1,00,000	2,400.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	5,000.00	-	-	18/08/2025	10,00,000	500.00
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,571.43	-	-	29/08/2025	1,00,000	3,000.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,900.00	-	-	05/12/2025	1,00,000	2,900.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,500.00	-	-	05/12/2025	1,00,000	7,500.00
Total	34,485.71	16,300.00	15,000.00			26,150.00



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

Maturity pattern of Debt securities As at March 31, 2024							(Rs. in Lakhs)
Type of Loan	Debt securities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years		TOTAL
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount		
Monthly repayment schedule	8%-10%	-	-	-	-		-
	10%-12%	-	-	-	-		-
	12%-15%	-	-	-	-		-
Quarterly repayment schedule	8%-10%	1,714.29	857.14	-	-		2,571.43
	10%-12%	1,371.43	342.85	-	-		1,714.28
	12%-15%	-	-	-	-		-
At the end of tenure / On demand	5%-10%	1,800.00	-	-	-		1,800.00
	10%-12%	-	17,900.00	-	-		17,900.00
	12%-15%	10,500.00	-	-	-		10,500.00
Total		15,385.72	19,099.99	-	-		34,485.71

Maturity pattern of Debt securities As at March 31, 2023							(Rs. in Lakhs)
Type of Loan	Debt securities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years		Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount		
At the end of tenure / On demand	5%-10%	1,500.00	1,800.00	-	-		3,300.00
	10%-12%	-	-	-	-		-
	12%-15%	2,500.00	10,500.00	-	-		13,000.00
Total		4,000.00	12,300.00	-	-		16,300.00

Maturity pattern of Debt securities As at April 01, 2022							(Rs. in Lakhs)
Type of Loan	Debt securities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years		Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount		
At the end of tenure / On demand	5%-10%	-	-	3,300.00	-		3,300.00
	10%-12%	-	-	-	-		-
	12%-15%	-	2,500.00	9,200.00	-		11,700.00
Total		-	2,500.00	12,500.00	-		15,000.00



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

Note 18 Borrowings (other than debt securities)

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
At amortised cost			
(a) Term loan #			
<i>(i) from banks</i>	20,148.72	8,862.20	2,538.06
<i>(ii) from Financial Institution</i>	40,899.81	23,488.64	8,453.28
<i>(iii) Securitisation</i>	-	372.67	-
Total (A)	61,048.53	32,723.51	10,991.34
Borrowings in India	61,048.53	32,723.51	10,991.34
Borrowings outside India	-	-	-
Total (B)	61,048.53	32,723.51	10,991.34

Note: Term Loans availed by the Company are secured by exclusive charge on the Company's receivables.



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

Maturity pattern of term loan from Bank As at March 31, 2024

(Rs. in Lakhs)

Type of Loan	Term Loan - Bank	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	TOTAL
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	6,000.00	3,916.67	-	-	9,916.67
	12%-15%	6,638.76	2,452.84	832.70	-	9,924.30
		-	-	-	-	-
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	375.00	-	-	-	375.00
		-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	-	-	-	-	-
		-	-	-	-	-
Total		13,013.76	6,369.51	832.70		20,215.97



Maturity pattern of term loan from Financial Institution As at March 31, 2024
(Rs. in Lakhs)

Type of Loan	Term Loan - NBFC	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	TOTAL
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	6,689.75	5,496.94	1,743.98	-	13,930.68
	12%-15%	10,237.86	5,162.86	709.89	-	16,110.62
		-	-	-	-	-
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	6,400.00	4,275.00	200.00	-	10,875.00
		-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	-	-	-	-	-
		-	-	-	-	-
Total		23,327.62	14,934.80	2,653.88	-	40,916.30

Maturity pattern of term loan from Bank As at March 31, 2023
(Rs. in Lakhs)

Type of Loan	Term Loan - Bank	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	500.00	366.67	-	-	866.67
	12%-15%	3,189.96	2,559.52	-	-	5,749.49
		-	-	-	-	-
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	900.00	375.00	-	-	1,275.00
	12%-15%	-	-	-	-	-
		-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	1,000.00	-	-	-	1,000.00
	12%-15%	-	-	-	-	-
		-	-	-	-	-
Total		5,589.96	3,301.19	-	-	8,891.15



Maturity pattern of term loan from Financial Institution As at March 31, 2023

(Rs. in Lakhs)

Type of Loan	Term Loan - NBFC	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%					
	10%-12%	3,844.02	3,716.85	1,441.39	69.90	9,072.16
	12%-15%	7,481.77	4,456.11	652.60	-	12,590.48
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	2,000.00	250.00	-	-	2,250.00
Total		12,953.63	8,422.96	2,094.00	69.90	23,912.64

Maturity pattern of term loan from Bank April 01, 2022

(Rs. in Lakhs)

Type of Loan	Term Loan - Bank	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	1,150.00	400.00	-	-	1,550.00
	12%-15%	-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	-	1,000.00	-	-	1,000.00
	12%-15%	-	-	-	-	-
Total		1,150.00	1,400.00	-	-	2,550.00



Maturity pattern of term loan from Financial Institution April 01, 2022

(Rs. in Lakhs)

Type of Loan	Term Loan - NBFC	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	2,093.85	3,058.93	1,303.34	-	6,456.13
		-	-	-	-	-
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	1,000.00	1,000.00	-	-	2,000.00
		-	-	-	-	-
Total		3,100.34	4,045.19	1,301.76		8,447.29



Avanti Finance Private Limited**Notes forming part of Consolidated financial statements****19: Other Financial liabilities** (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Interest accrued but not due on CCDs	-	0.86	0.96
Preference dividend	0.56	0.34	-
Payable towards assignment/colending	674.50	-	-
Lease liabilities	136.62	69.30	4.83
Security deposit from partners	99.78	88.00	192.66
Total	911.46	158.50	198.44

20: Provisions (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Provision for employee benefits			
- Gratuity	30.56	106.54	70.94
- Others	1,514.59	987.33	634.69
Loss allowance for Financial Gurantee Liabilities and undi	64.20	1.01	-
Total	1,609.36	1,094.88	705.64

21: Other Non-financial liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Statutory dues payable	134.18	223.45	206.72
Expense Accrual	1,210.14	662.26	178.02
Advance received from Partners	-	120.30	150.00
Others	2.66	0.51	16.28
Total	1,346.98	1,006.51	551.02



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

22: Equity

Particulars	(Rs. in Lakhs)		
	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Authorised:			
15,75,00,000 Equity Shares of Rs.10/- each (Previous year 15,75,00,000 Equity Shares of Rs. 10/-)	15,750.00	15,750.00	15,750.00
11,50,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year 11,50,00,000 of Series A Preference Shares of Rs. 10/- each)	11,500.00	11,500.00	11,500.00
1,90,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. 1,90,00,000 Series A1 Preference Shares of Rs. 10/- each)	1,900.00	1,900.00	1,900.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. 3,20,00,000 Series A1 Preference Shares of Rs. 10/- each)	3,200.00	3,200.00	-
5,72,00,000 Series B Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. 5,72,00,000 Series B Compulsorily Convertible Preference Shares of Rs. 10/- each)	5,720.00	5,720.00	-
NIL Series A1 Preference Shares of Rs. 10/- each	-	-	-
Issued, subscribed and fully paid up	-	-	-
Equity Share Capital	-	-	-
15,09,07,193 Equity Shares of Rs. 10/- each fully paid-up (Previous year 15,08,32,193 Equity Shares of Rs. 10/- each fully paid-up)	15,090.72	15,083.22	14,903.22
Instruments entirely Equity in nature			
11,24,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 11,24,00,000 Series A Preference Shares of Rs. 10/- each)	11,240.00	11,240.00	11,240.00
1,86,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 1,86,00,000 Series A Preference Shares of Rs. 10/- each)	1,860.00	1,860.00	1,860.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 3,20,00,000 Bridge Compulsorily Preference Shares of Rs. 10/- each)	3,200.00	3,200.00	-
5,71,22,955 Series B Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 4,28,42,216 Series B Preference Shares of Rs. 10/- each)	5,712.30	4,284.22	-
2,50,00,000 Compulsorily Convertible Debentures of Rs. 10/- each fully paid up (Previous year 2,50,00,000 Compulsorily Convertible Debentures of Rs. 10/- each)	2,500.00	2,500.00	2,500.00
Total Equity	39,603.01	38,167.44	30,503.22



(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Particulars						
Outstanding at the beginning of the year	15,08,32,193	1,50,83,21,930	14,90,32,193	1,49,03,21,930	13,45,16,086	1,34,51,60,860
Issued during the year	75,000	7,50,000	18,00,000	1,80,00,000	1,45,16,107	14,51,61,070
Outstanding at the end of the year	15,09,07,193	1,50,90,71,930	15,08,32,193	1,50,83,21,930	14,90,32,193	1,49,03,21,930
Instruments entirely Equity in nature	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Particulars						
Outstanding at the beginning of the year	23,08,42,216	2,30,84,22,160	15,60,00,000	1,56,00,00,000	-	-
Issued during the year (Series A)	-	-	-	-	11,24,00,000	1,12,40,00,000
Issued during the year	-	-	-	-	2,50,00,000	25,00,00,000
Issued during the year (Series A1)	-	-	-	-	1,86,00,000	18,60,00,000
Issued during the year (Bridge)	-	-	3,20,00,000	32,00,00,000	-	-
Issued during the year (Series B)	1,42,80,739	14,28,07,390	4,28,42,216	42,84,22,160	-	-
Outstanding at the end of the year	24,51,22,955	2,45,12,29,550	23,08,42,216	2,30,84,22,160	15,60,00,000	1,56,00,00,000
Equivalent number of Equity Shares		March 31, 2024	March 31, 2023	April 01, 2022		
Series A Compulsorily Convertible Preference Shares		5,68,41,950	5,68,41,950	5,68,41,950		
Series A1 Compulsorily Convertible Preference Shares		90,64,328	90,64,328	90,64,328		
Series Bridge Compulsorily Convertible Preference Shares		1,23,07,693	1,23,07,693	-		
Series B Compulsorily Convertible Preference Shares		5,71,22,955	4,28,42,216	-		
Compulsorily Convertible Debentures		1,25,77,534	1,25,77,534	1,25,77,534		

(b) 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.

Each holder of Bridge CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Bridge CCPS held by such holder of Bridge CCPS, pari passu to holders of Series A CCPS, Series A1 CCPS and Series B CCPS, and in preference and priority to the payment of any dividend in respect of all Equity Shares.

Each holder of Series B CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Series B CCPS held by such holder of Series B CCPS, pari passu to holders of Series A CCPS, Series A1 CCPS and Bridge CCPS, and in preference and priority to the payment of any dividend in respect of all Equity Shares.

Each Bridge CCPS shall carry voting rights equivalent to the number of Equity Shares to be issued upon conversion of such Bridge CCPS in accordance with the Agreement, as if such conversion has been completed, subject to any adjustments to the Conversion Price as applicable to Bridge CCPS as per agreement.

Each Series B CCPS shall be convertible into 1 (one) Equity Share of the Company at the option of the holders of Series B CCPS, subject to adjustments on a proportionate basis for stock splits, consolidations, stock dividends, bonus shares, recapitalizations and other similar occurrences. Each Series B CCPS shall automatically convert into Equity Shares of the Company in accordance with the conversion ratio, 1 (one) day prior to expiry of 20 (twenty) years from the Closing Date.



Compulsorily Convertible Debentures:

(i) The qualifying event of CCDs has been achieved. Since option of the conversion of the CCDs to equity has not been exercised by the Debenture holders, conversion to equity has not taken place.

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

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ratan N. Tata	1,68,70,859	11.18%	1,68,70,859	11.19%	1,68,70,859	11.19%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	87.00%	13,12,86,747	87.04%	13,12,86,747	87.04%

Compulsorily Convertible Preference shares Series A

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Oikocredit Ecumenical Development Cooperative Society U.A.	4,30,00,000	38.26%	4,30,00,000	38.26%	4,30,00,000	38.26%
Wao Partners LLP	1,50,00,000	13.34%	1,50,00,000	13.34%	1,50,00,000	13.34%
Bill & Melinda Gates Foundation	5,44,00,000	48.40%	5,44,00,000	48.40%	5,44,00,000	48.40%

Compulsorily Convertible Preference shares Series A1

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bill & Melinda Gates Foundation	1,86,00,000	100.00%	1,86,00,000	100.00%	1,86,00,000	100.00%

Compulsorily Convertible Preference shares Bridge

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	1,60,00,000	50.00%	1,60,00,000	50.00%	-	0.00%
Oikocredit Ecumenical Development Cooperative Society U.A.	1,60,00,000	50.00%	1,60,00,000	50.00%	-	0.00%

Compulsorily Convertible Preference shares Series B

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Oikocredit Ecumenical Development Cooperative Society U.A.	28,56,148	5.00%		
IDH Farmfit Fund B.V.	1,14,24,591	20.00%		
Rabo Partnerships B.V.	4,28,42,216	75.00%	4,28,42,216	100.00%

(f) Shares held by promoter**Details of equity Shares held by promoters as at March 31, 2024**

Promoter name	No of shares	% of total shares	% Change during the year 2023-24
Mr. Ratan N. Tata	1,68,70,859	11.18%	-0.05%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	87.00%	-0.05%

Details of equity Shares held by promoters as at March 31, 2023

Promoter name	No of shares	% of total shares	% Change during the year 2022-23
Mr. Ratan N. Tata	1,68,70,859	11.19%	0%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	87.04%	0%



Note 23: Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Balance in Statement of Profit and Loss			
Opening balance	(23,165.46)	(16,130.92)	(9,800.45)
Add: Loss for the year	(1,318.10)	(7,034.20)	(3,306.42)
Less: Preference dividend	(0.22)	(0.34)	-
IND AS opening adjustment	-	-	(3,024.06)
Closing Balance	(24,483.78)	(23,165.46)	(16,130.92)
Items of Other Comprehensive Income			
Gratuity adjustment	(13.46)	(4.20)	-
Closing Balance	(14.72)	(13.46)	(4.20)
ESOP Reserve			
Opening balance	71.89	41.39	-
Addition during the year	167.19	30.50	41.39
Closing Balance	239.08	71.89	41.39
Share application money pending for allotment			
Opening balance	3,279.99	-	-
Addition during the year	-	3,279.99	-
Reduction during the year	(3,279.99)	-	-
Closing Balance	-	3,279.99	-
Security Premium for the Instruments entirely equity in the nature			
Opening balance	8,015.78	-	-
Addition during the year	2,671.93	8,015.78	-
Closing Balance	10,687.70	8,015.78	-
Total	(13,571.72)	(11,811.26)	(16,093.73)

-3306.41631

-52.71800394

Nature and Purpose of Reserve

(i) Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings: This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(iii) Other comprehensive income reserve: The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated in OCI reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

(iv) ESOP Reserve: portion of equity set aside by a company to fulfill its commitments under its employee stock option plans. This reserve represents the number of shares that the company has allocated for future issuance to employees as part of their compensation package through stock options.



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

24: Interest income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Financial Assets measured at Amortised Cost		
Interest income on loan	21,704.12	10,403.19
Interest income from fixed deposits	186.37	141.76
Other interest income	3.98	2.05
Total	21,894.48	10,547.00

25: Fees and Commission income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fee and commission income	1,162.41	19.39
Total	1,162.41	19.39

26: Net gain on fair value changes

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	274.06	42.19
Total Net gain/(loss) on fair value changes	274.06	42.19
Fair Value changes:		
- Realised	274.06	41.93
- Unrealised	-	0.26
Total Net gain/(loss) on fair value changes	274.06	42.19



27: Other Income (Rs. in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Management Consultancy Fees	110.13	-
Recoveries from partner	922.52	300.47
Other income	27.96	5.34
Total	1,060.61	305.82
28: Finance Cost (Rs. in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Financial liabilities measured at Amortised cost		
Interest on borrowings	5,364.40	2,412.44
Interest on debt securities	2,844.23	1,918.49
Interest on Lease liability	10.43	8.97
Total	8,219.06	4,339.90
29: Fee and commission Expense (Rs. in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Commission	7,461.13	3,089.38
Total	7,461.13	3,089.38
30: Impairment of financial instruments (Rs. in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Financial instruments measured at Amortised Cost		
Impairment on Loans	(1,889.06)	2,106.26
Impairment on Trade receivables	2.60	-
Bad Debts Written Off	5,065.96	747.36
Total	3,179.50	2,853.62



31: Employee Benefit Expenses			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
Salaries and Wages	3,242.36	2,621.30		
Gratuity	34.74	26.33		
Contribution to Provident Fund	65.65	44.29		
Expense on Employee Stock Option (ESOP) Scheme	167.19	30.50		
Recruitment expenses	1.89	36.19		
Staff Welfare Expenses	138.70	60.19		
Total	3,650.54	2,818.80		
32: Depreciation, amortization and impairment			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
Depreciation of Tangible Assets	78.65	29.05		
Amortization of Intangible Assets	403.47	415.87		
Depreciation on Right to use Asset	44.43	33.77		
Total	526.56	478.68		



33: Other Expenses			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
Legal and Professional Expenses	773.03	1,023.55		
Payments to auditors (Refer note below)	50.05	30.54		
Loss allowance on financial guarantee	567.77	-		
Stamp duty and filing fees	10.15	60.57		
Business promotion	75.27	-		
Sitting fee	37.61	19.62		
Travelling, Conveyance and Food Expenses	147.12	117.67		
Lodging & Boarding Expenses	40.10	37.36		
Guarantee fees	56.46	-		
Membership and Subscription	79.86	50.77		
Bank Charges	42.07	17.26		
Office Expenses	62.42	36.23		
Rent on office premises	18.48	15.29		
Miscellaneous Expenses	59.24	68.22		
Total	2,019.63	1,477.08		

Break up of payment to auditors			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
As auditor:				
Statutory audit	33.43	23.62		
Tax audit	5.45	3.27		
In any other capacity				
Certification fees	8.12	3.65		
Out of pocket expenses	3.05	-		
	50.05	30.54		

Note 34: Earnings per share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) after tax attributable to equity shareholders (Rs. in Lakhs)	(1,319.36)	(7,043.47)
No of Weighted Average Equity Shares outstanding during the period(Basic)	15,08,43,053.69	15,06,88,494.40
No of Weighted Average Equity Shares outstanding during the period (including dilutive potential equity shares)	33,54,99,646.67	26,53,61,285.78
Total number of equity share outstanding at end of year	15,09,07,193.03	15,08,32,193.03
Basic EPS	(0.87)	(4.67)
Dilluted EPS	(0.87)	(4.67)



Diluted Earnings per share for March 31, 2024 was same as Basic as the effect of dilutive convertible shares from shareholder was anti-dilutive.



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

35: Retirement Benefit Plan

Defined Contribution Plan

The company makes contributions to provident fund which are defined contribution plan for qualifying employees. During the year, the Company recognised Rs. 65.65 Lakhs (Previous Year Rs. 44.29 Lakhs) for provident fund contributions in the statement of profit and loss.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Current service cost	26.91	21.44	16.33
Interest cost on benefit obligation	7.84	4.90	4.06
Expected return on plan assets	-	-	-
Past Service Cost	-	-	-
Net actuarial (gain)/loss recognized in the year	-	-	-
Net (benefit) / expense	-	-	-
Expense recognised in Other Comprehensive Income			
Net Actuarial (Gain)/Loss in defined obligation	1.84	9.26	4.20
Net Actuarial (Gain)/Loss in planned asset	(0.58)	-	-
Total cost	36.00	35.60	24.59

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Opening defined benefit obligation	106.54	70.94	46.35
Transfer in/Out	-	-	-
Interest cost	7.84	4.90	4.06
Current service cost	26.91	21.44	16.33
Benefits paid	-	-	-
Past Service Cost	-	-	-
Actuarial loss / (gain) on obligation	1.84	9.26	4.20
Closing defined benefit obligation	143.13	106.54	70.94

Changes in the fair value of plan assets are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Opening fair value of plan assets	-	-	-
Transfer in/Out	111.98	-	-
Expected return	-	-	-
Contributions by employer	-	-	-
Benefits paid	-	-	-
Actuarial gains / (losses) on assets	0.58	-	-
Closing fair value of plan assets	112.56	-	-



Net Defined Benefit Asset / (Liability) (Rs. in Lakhs)			
Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Defined benefit obligation	143.13	106.54	70.94
Fair value of plan assets	112.56	-	-
Asset/(liability) recognized in the balance sheet	30.56	106.54	70.94

Reconciliation of Amounts in Balance Sheet (Rs. in Lakhs)			
Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Net defined benefit liability (asset) at prior year end	106.54	70.94	46.35
Defined benefit cost included in P&L	34.74	26.33	20.39
Total Amounts included in OCI	1.26	9.26	4.20
Other significant events/One time IND AS 19	-	-	-
Acquisition / Divestiture	-	-	-
Amounts recognized due to plan combinations	-	-	-
Employer contributions	(111.98)	-	-
Direct benefit payments by Employer	-	-	-
Adjustment to Opening Fair value of assets	-	-	-
Net defined benefit liability (asset) - end of period	30.56	106.54	70.94

Reconciliation of Statement of Other Comprehensive Income (Rs. in Lakhs)			
Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Cumulative OCI - (Income)/Expense, Beginning of Period	13.46	4.20	-
Total remeasurements included in OCI	1.26	9.26	4.20
Cumulative OCI - (Income)/Expense, End of Period	14.72	13.46	4.20

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Discount rate	7.22%	7.49%	6.90%
Rate of increase in compensation levels	10%	10%	10%
Attrition rate	5%	5%	5%

The plan assets of the Company relating to Gratuity are invested through PNB metlife.

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Funded with PNB metlife	100.00%	0.00%	0.00%

Assumptions	March 31, 2024		March 31, 2024	
	Discount rate impact		Future salary impact	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity Level				
Impact on defined benefit obligation	(7.04)	7.70	4.78	(4.68)
Assumptions	March 31, 2023		March 31, 2023	
	Discount rate impact		Future salary impact	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Sensitivity Level				
Impact on defined benefit obligation	(4.99)	5.44	3.10	(2.89)



Risks associated with Defined Benefit Plan:**(i) Market risk (Interest Rate Risk)**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(ii) Salary Risk

Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

(iii) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(iv) Attrition/Withdrawal Assumption

If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

(v) Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

(vi) Regulatory Risk

Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

(Rs. in Lakhs)			
Expected benefit payment for future years	March 31, 2024	March 31, 2023	April 1, 2022
Year 1	6.21	3.80	4.70
Year 2	6.33	5.61	7.54
Year 3	7.44	5.77	7.43
Year 4	24.03	6.59	7.40
Year 5	7.60	21.82	7.29
Between 6 to 10 years	71.14	51.67	49.04
Above 10 years	264.86	190.87	41.02
Total expected payments	387.62	286.13	124.41

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

36: Change in liabilities arising from financing activities **(Rs. in Lakhs)**

Particulars	As at March 31, 2023	Cash Flows	As at March 31, 2024
Debt Securities	16,291.51	17,900.98	34,192.49
Borrowings other than debt securities	32,723.51	28,325.02	61,048.53
Total liabilities from financing activities	49,015.02	46,225.99	95,241.02

(Rs. in Lakhs)

Particulars	As at April 01, 2022	Cash Flows	As at March 31, 2023
Debt Securities	14,804.34	1,487.17	16,291.51
Borrowings other than debt securities	10,991.34	21,732.18	32,723.51
Total liabilities from financing activities	25,795.68	23,219.34	49,015.02



37: Lease Disclosures**Operating Lease :**

The Company has cancellable operating lease agreements for office spaces. Terms of such lease gives right of cancellation to both the parties.

The Ministry of Corporate Affairs has notified Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from April 1, 2019. The Standard primarily requires the Company, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-of-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance costs, subject to certain re-measurement adjustments.

Lease liability (Rs. in Lakhs)

Particulars	Mar-24	Mar-23	Apr-22
Opening lease liabilities	69.30	4.83	-
Addition to lease liabilities during the year	154.75	90.91	4.98
Deletion to lease liabilities during the year	(37.67)		
Interest expense on Lease liabilities	12.49	8.97	0.04
Cash outflow for leases	(62.25)	(35.41)	(0.20)
Closing lease liabilities	136.62	69.30	4.83

Amounts recognised Balance sheet (Rs. in Lakhs)

Particulars	Mar-24	Mar-23	Apr-22
a) Right-of-use assets (net)	139.54	69.60	5.45
b) Lease liabilities			
Current	53.54	31.31	1.12
Non-current	83.08	37.99	3.70
Total Lease liabilities	136.62	69.30	4.83

Statement showing carrying value of right of use assets: (Rs. in Lakhs)

Particulars	Mar-24	Mar-23	Apr-22
As the beginning of year end	69.60	5.45	-
Additions	162.92	97.92	5.64
Deductions/Adjustments	48.55		
Depreciation	44.43	33.77	0.19
As at the year end	139.54	69.60	5.45



Amounts recognised in profit or loss**(Rs. in Lakhs)**

Particulars	Mar-24	Mar-23
Interest on lease liabilities	12.49	8.97
Total	12.49	8.97

Amounts recognised in the statement of cash flows**(Rs. in Lakhs)**

Particulars	Mar-24	Mar-23
Interest paid on Lease liabilities	12.49	8.97
Payment towards Lease liabilities	62.25	35.41
Total cash outflow for leases	74.74	44.38

Maturity analysis of Undiscounted lease liabilities**(Rs. in Lakhs)**

Particulars	Amount
Less than one year	59.46
One to five years	98.96
More than five years	-
Total undiscounted lease liabilities at 31 March 2024	158.42



Avanti Finance Private Limited
Notes forming part of Consolidated financial statements

38 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.

b) Vesting Period and Exercise Price

Grant Date	Category	No. of Options Granted	Exercise Price	Vesting Schedule
15/01/21	A	15,25,000	10	30% at the end of Year 1, 35% over 16 quarters and Balance 35% in FY 25-26
15/01/21	B	5,50,000	10	20% at the end of Year 1, 40% over 16 quarters and Balance 40% in FY 25-26
15/01/21	C	1,50,000	10	10% at the end of Year 1, 45% over 16 quarters and Balance 45% in FY 25-26
15/01/23	D	11,99,964	13	75% over 12 quarters and 25% in FY 25-26, for first 4 Quarters will vest on 25-01-2024
15/01/23	E	18,84,632	13	75% over 12 quarters and 25% in FY 25-26, for first 3 Quarters will vest on 25-01-2024
15/01/23	F	3,46,154	13	50% over 12 quarters and 50% in FY 25-26, first Quarter will vest on 25-04-2024
15/01/23	G	3,00,000	10	80% on 25-01-2024, 20% over next 4 quarters
15/01/23	H	1,53,846	13	34% on 25-01-2024, 66% on 10 quarters
15/01/23	I	1,00,000	10	34% on 25-01-2024, 66% on 10 quarters
20/02/23	J	69,662	28.71	After One Year, 100% in 5 quarters
01/11/23	K	2,08,986	28.71	After One Year, 100% in 5 quarters
15/01/21	L	77,10,000	10	50% at the end of Year 1, 25% over 16 quarters and Balance 25% in FY 25-26
15/01/21	M	49,00,000	10	50% at the end of Year 1, 25% over 16 quarters and Balance 25% in FY 25-26
15/01/21	N	75,00,000	10	40% at the end of Year 1, 35% over 16 quarters and Balance 25% in FY 25-26
15/01/21	O	1,00,00,000	10	67.50% at the end of Year 1, 16.25% over 16 quarters and Balance 16.25% in FY 25-26
15/01/23	P	12,00,000	13	45% at the end of Year 1, 45% over 12 quarters and Balance 10% in FY 25-26
01/11/23	Q	26,72,449	28.71	30% at end of Year 1, 30% at end of Year 2 and 40% at end of Year 3

c) Contractual Term of the option and Vesting Period

Vesting is as mentioned above, and the exercise period shall be within 4 years from the date of vesting.

d) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year ended 31 March, 2024		During the year ended 31 March, 2023		During the year ended 31 March, 2022	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	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	3,70,83,178	10.41	3,36,17,813	10.00	3,55,10,000	-
Granted during the year: - ESOP A	29,89,558	28.71	54,15,365	12.78	-	10
Exercised during the year: - ESOP A	75,000	10.00	18,00,000	10.00	-	-
Lapsed during the year: - ESOP A	-	-	-	-	-	-
Forfeited during the year: - ESOP A	13,01,078	-	1,50,000	-	18,92,187	-
Options outstanding at the end of the year: - ESOP A	3,86,96,658	11.72	3,70,83,178	10.41	3,36,17,813	10
Vested during the year: - ESOP A	14,17,551	-	14,12,638	-	1,72,07,190	-
Options available for grant: - ESOP A	94,28,342	-	1,11,16,822	-	1,63,82,187	-

e) 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 (%)	5.58%
2. Expected life	5.55 years
3. Expected volatility (%)	39.05%

The compensation cost of stock options granted to employees has been accounted by the Company using fair value of options method.



Avanti Finance Private Limited**Notes forming part of Consolidated financial statements****Note 39****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
Independent Director	Mr. Subramaniam Somasundaram
Independent Director	Ms. Sukanya Kripalu
Non-executive Director	Mr. Annette Austin
Non-executive Director	Mr. Anirudh Jagdish Sarda
Key management personnel	Mr. Rahul Gupta (Chief Executive Officer/Executive Director)
Entities having control over Avanti finance private limited	NRJN Family Trust
Wholly owned Subsidiary	Avanti Microfinance Private Limited (AMPL)

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 31,2024	For the year ended March 31,2023
	(Rupees in Lakhs)	(Rupees in Lakhs)
Issue of shares		
NRJN Family Trust	-	16,00,00,000
Remuneration to key management personnel [Refer Note 1]		
Mr. Rahul Gupta	457.73	373.26
Reimbursement of expenses to key management personnel		
Mr. Rahul Gupta	2.15	2.15
Employee stock options		
Mr. Rahul Gupta [Refer Note 1]	-	-

Note 1: Expense towards gratuity/ESOP 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 2: Gurantee provided to Catalyst Trusteeship Limited by AMPL towards issue of Rs. 100 Crs. Non convertible debentures by the Company has been waived off during Financial year 2022-23

(iii) Related Party Closing balances

Particulars	As at March 31,2024 (Rupees in Lakhs)	As at March 31,2023 (Rupees in Lakhs)
Equity share capital		
NRJN Family Trust	13,128.67	13,128.67
Dr. Vijay Kelkar	87.46	87.46
Mr. Ratan Tata	1,687.09	1,687.09
Compulsorily Convertible Preference shares		
NRJN Family Trust	1,600.00	1,600.00



Avanti Finance Private Limited
Notes forming part of Consolidated Financial Statements

Note 40: Risk Management
Risk management framework

The Company's primary focus is to oversee the appropriateness of financial markets and seek to minimize potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors, the Risk Management Committee (RMC) and the Credit Committee (CC) are responsible for overseeing the Company's risk management practices. The RMC oversees and manages an inherent risks related to the Company's activities by the following risk categories:

1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to the financial instrument fails to meet its contractual obligations, and arises principally from the cash and cash equivalents, bank balance, other than cash and cash equivalents, trade and other receivables and financial assets measured at amortized cost.

The Risk Management Policy defines the recognition, measurement, monitoring and reporting of the Credit risk. The RMC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Company. Within this established framework, credit policies are established to manage the resulting of proposals, advances of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, source of income and continuity of employment/business.

The Company has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic strategies to de-risk portfolio.

Credit approval
The Board of Directors has delegated credit approval authority to the Company's Credit Committee under the Company's Credit Policy. The credit team/operations team members compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security for the borrower.

Credit underwriting

The Company's credit team ensure credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer's eligibility, income and debt obligation assessment, under the product, customer records wherever applicable, historical experience and demographic parameters. Any deviations need to be approved at the designated levels. The company efforts to add in making existing customers get credit services from other financial institutions to improve their credit ratings.

External agencies such as third mortgage agencies facilitate the due diligence process including visit to offices and residences.

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted outcome of credit losses. Credit losses are measured as the present value of all cash shortfall (i.e. the difference between the cash flows due to the Company's accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows:

- For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.
- The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loan and advances together with loan commitments and other financial assets measured at amortized cost, collectively named as "financial assets at amortized cost".

The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristics based on the type of products sliced down to geography as part of the requirement analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Retail, Institutional and working Capital loans. This portfolio is used to arrive exposure at Default, Probability of Default and Loss given default.

The Company follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the requirement allowance required against different categories / pool of loan accounts.

All delisting parameters (PD, LGD, EAD Adjustment factor) are estimated on a yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio change and other scenarios.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT-ECL), unless there has been no significant increase in credit risk since its initial recognition.

Impairment of Default

As per the Company's policy, all assets are classified into Stage 1, stage 2 and stage 3. Assets up to 30 DPD (day past due) are classified as stage 1 assets. Assets with DPD of 31 days up to 90 days are classified as stage 2 assets. Assets with DPD of 91 days up to 180 days are classified as stage 3 assets. Assets with DPD of 181 days up to 360 days are classified as stage 4 assets. Assets with DPD of 361 days up to 540 days are classified as stage 5 assets. Assets with DPD of 541 days up to 720 days are classified as stage 6 assets. Assets with DPD of 721 days up to 900 days are classified as stage 7 assets. Assets with DPD of 901 days up to 1080 days are classified as stage 8 assets. Assets with DPD of 1081 days up to 1260 days are classified as stage 9 assets. Assets with DPD of 1261 days up to 1440 days are classified as stage 10 assets. Assets with DPD of 1441 days up to 1620 days are classified as stage 11 assets. Assets with DPD of 1621 days up to 1800 days are classified as stage 12 assets. Assets with DPD of 1801 days up to 1980 days are classified as stage 13 assets. Assets with DPD of 1981 days up to 2160 days are classified as stage 14 assets. Assets with DPD of 2161 days up to 2340 days are classified as stage 15 assets. Assets with DPD of 2341 days up to 2520 days are classified as stage 16 assets. Assets with DPD of 2521 days up to 2700 days are classified as stage 17 assets. Assets with DPD of 2701 days up to 2880 days are classified as stage 18 assets. Assets with DPD of 2881 days up to 3060 days are classified as stage 19 assets. Assets with DPD of 3061 days up to 3240 days are classified as stage 20 assets. Assets with DPD of 3241 days up to 3420 days are classified as stage 21 assets. Assets with DPD of 3421 days up to 3600 days are classified as stage 22 assets. Assets with DPD of 3601 days up to 3780 days are classified as stage 23 assets. Assets with DPD of 3781 days up to 3960 days are classified as stage 24 assets. Assets with DPD of 3961 days up to 4140 days are classified as stage 25 assets. Assets with DPD of 4141 days up to 4320 days are classified as stage 26 assets. Assets with DPD of 4321 days up to 4500 days are classified as stage 27 assets. Assets with DPD of 4501 days up to 4680 days are classified as stage 28 assets. Assets with DPD of 4681 days up to 4860 days are classified as stage 29 assets. Assets with DPD of 4861 days up to 5040 days are classified as stage 30 assets. Assets with DPD of 5041 days up to 5220 days are classified as stage 31 assets. Assets with DPD of 5221 days up to 5400 days are classified as stage 32 assets. Assets with DPD of 5401 days up to 5580 days are classified as stage 33 assets. Assets with DPD of 5581 days up to 5760 days are classified as stage 34 assets. Assets with DPD of 5761 days up to 5940 days are classified as stage 35 assets. Assets with DPD of 5941 days up to 6120 days are classified as stage 36 assets. Assets with DPD of 6121 days up to 6300 days are classified as stage 37 assets. Assets with DPD of 6301 days up to 6480 days are classified as stage 38 assets. Assets with DPD of 6481 days up to 6660 days are classified as stage 39 assets. Assets with DPD of 6661 days up to 6840 days are classified as stage 40 assets. Assets with DPD of 6841 days up to 7020 days are classified as stage 41 assets. Assets with DPD of 7021 days up to 7200 days are classified as stage 42 assets. Assets with DPD of 7201 days up to 7380 days are classified as stage 43 assets. Assets with DPD of 7381 days up to 7560 days are classified as stage 44 assets. Assets with DPD of 7561 days up to 7740 days are classified as stage 45 assets. Assets with DPD of 7741 days up to 7920 days are classified as stage 46 assets. Assets with DPD of 7921 days up to 8100 days are classified as stage 47 assets. Assets with DPD of 8101 days up to 8280 days are classified as stage 48 assets. Assets with DPD of 8281 days up to 8460 days are classified as stage 49 assets. Assets with DPD of 8461 days up to 8640 days are classified as stage 50 assets. Assets with DPD of 8641 days up to 8820 days are classified as stage 51 assets. Assets with DPD of 8821 days up to 9000 days are classified as stage 52 assets. Assets with DPD of 9001 days up to 9180 days are classified as stage 53 assets. Assets with DPD of 9181 days up to 9360 days are classified as stage 54 assets. Assets with DPD of 9361 days up to 9540 days are classified as stage 55 assets. Assets with DPD of 9541 days up to 9720 days are classified as stage 56 assets. Assets with DPD of 9721 days up to 9900 days are classified as stage 57 assets. Assets with DPD of 9901 days up to 10080 days are classified as stage 58 assets. Assets with DPD of 10081 days up to 10260 days are classified as stage 59 assets. Assets with DPD of 10261 days up to 10440 days are classified as stage 60 assets. Assets with DPD of 10441 days up to 10620 days are classified as stage 61 assets. Assets with DPD of 10621 days up to 10800 days are classified as stage 62 assets. Assets with DPD of 10801 days up to 10980 days are classified as stage 63 assets. Assets with DPD of 10981 days up to 11160 days are classified as stage 64 assets. Assets with DPD of 11161 days up to 11340 days are classified as stage 65 assets. Assets with DPD of 11341 days up to 11520 days are classified as stage 66 assets. Assets with DPD of 11521 days up to 11700 days are classified as stage 67 assets. Assets with DPD of 11701 days up to 11880 days are classified as stage 68 assets. Assets with DPD of 11881 days up to 12060 days are classified as stage 69 assets. Assets with DPD of 12061 days up to 12240 days are classified as stage 70 assets. Assets with DPD of 12241 days up to 12420 days are classified as stage 71 assets. Assets with DPD of 12421 days up to 12600 days are classified as stage 72 assets. Assets with DPD of 12601 days up to 12780 days are classified as stage 73 assets. Assets with DPD of 12781 days up to 12960 days are classified as stage 74 assets. Assets with DPD of 12961 days up to 13140 days are classified as stage 75 assets. Assets with DPD of 13141 days up to 13320 days are classified as stage 76 assets. Assets with DPD of 13321 days up to 13500 days are classified as stage 77 assets. Assets with DPD of 13501 days up to 13680 days are classified as stage 78 assets. Assets with DPD of 13681 days up to 13860 days are classified as stage 79 assets. Assets with DPD of 13861 days up to 14040 days are classified as stage 80 assets. Assets with DPD of 14041 days up to 14220 days are classified as stage 81 assets. Assets with DPD of 14221 days up to 14400 days are classified as stage 82 assets. Assets with DPD of 14401 days up to 14580 days are classified as stage 83 assets. Assets with DPD of 14581 days up to 14760 days are classified as stage 84 assets. Assets with DPD of 14761 days up to 14940 days are classified as stage 85 assets. Assets with DPD of 14941 days up to 15120 days are classified as stage 86 assets. Assets with DPD of 15121 days up to 15300 days are classified as stage 87 assets. Assets with DPD of 15301 days up to 15480 days are classified as stage 88 assets. Assets with DPD of 15481 days up to 15660 days are classified as stage 89 assets. Assets with DPD of 15661 days up to 15840 days are classified as stage 90 assets. Assets with DPD of 15841 days up to 16020 days are classified as stage 91 assets. Assets with DPD of 16021 days up to 16200 days are classified as stage 92 assets. Assets with DPD of 16201 days up to 16380 days are classified as stage 93 assets. Assets with DPD of 16381 days up to 16560 days are classified as stage 94 assets. Assets with DPD of 16561 days up to 16740 days are classified as stage 95 assets. Assets with DPD of 16741 days up to 16920 days are classified as stage 96 assets. Assets with DPD of 16921 days up to 17100 days are classified as stage 97 assets. Assets with DPD of 17101 days up to 17280 days are classified as stage 98 assets. Assets with DPD of 17281 days up to 17460 days are classified as stage 99 assets. Assets with DPD of 17461 days up to 17640 days are classified as stage 100 assets. Assets with DPD of 17641 days up to 17820 days are classified as stage 101 assets. Assets with DPD of 17821 days up to 18000 days are classified as stage 102 assets. Assets with DPD of 18001 days up to 18180 days are classified as stage 103 assets. Assets with DPD of 18181 days up to 18360 days are classified as stage 104 assets. Assets with DPD of 18361 days up to 18540 days are classified as stage 105 assets. Assets with DPD of 18541 days up to 18720 days are classified as stage 106 assets. Assets with DPD of 18721 days up to 18900 days are classified as stage 107 assets. Assets with DPD of 18901 days up to 19080 days are classified as stage 108 assets. Assets with DPD of 19081 days up to 19260 days are classified as stage 109 assets. Assets with DPD of 19261 days up to 19440 days are classified as stage 110 assets. Assets with DPD of 19441 days up to 19620 days are classified as stage 111 assets. Assets with DPD of 19621 days up to 19800 days are classified as stage 112 assets. Assets with DPD of 19801 days up to 19980 days are classified as stage 113 assets. Assets with DPD of 19981 days up to 20160 days are classified as stage 114 assets. Assets with DPD of 20161 days up to 20340 days are classified as stage 115 assets. Assets with DPD of 20341 days up to 20520 days are classified as stage 116 assets. Assets with DPD of 20521 days up to 20700 days are classified as stage 117 assets. Assets with DPD of 20701 days up to 20880 days are classified as stage 118 assets. Assets with DPD of 20881 days up to 21060 days are classified as stage 119 assets. Assets with DPD of 21061 days up to 21240 days are classified as stage 120 assets. Assets with DPD of 21241 days up to 21420 days are classified as stage 121 assets. Assets with DPD of 21421 days up to 21600 days are classified as stage 122 assets. Assets with DPD of 21601 days up to 21780 days are classified as stage 123 assets. Assets with DPD of 21781 days up to 21960 days are classified as stage 124 assets. Assets with DPD of 21961 days up to 22140 days are classified as stage 125 assets. Assets with DPD of 22141 days up to 22320 days are classified as stage 126 assets. Assets with DPD of 22321 days up to 22500 days are classified as stage 127 assets. Assets with DPD of 22501 days up to 22680 days are classified as stage 128 assets. Assets with DPD of 22681 days up to 22860 days are classified as stage 129 assets. Assets with DPD of 22861 days up to 23040 days are classified as stage 130 assets. Assets with DPD of 23041 days up to 23220 days are classified as stage 131 assets. Assets with DPD of 23221 days up to 23400 days are classified as stage 132 assets. Assets with DPD of 23401 days up to 23580 days are classified as stage 133 assets. Assets with DPD of 23581 days up to 23760 days are classified as stage 134 assets. Assets with DPD of 23761 days up to 23940 days are classified as stage 135 assets. Assets with DPD of 23941 days up to 24120 days are classified as stage 136 assets. Assets with DPD of 24121 days up to 24300 days are classified as stage 137 assets. Assets with DPD of 24301 days up to 24480 days are classified as stage 138 assets. Assets with DPD of 24481 days up to 24660 days are classified as stage 139 assets. Assets with DPD of 24661 days up to 24840 days are classified as stage 140 assets. Assets with DPD of 24841 days up to 25020 days are classified as stage 141 assets. Assets with DPD of 25021 days up to 25200 days are classified as stage 142 assets. Assets with DPD of 25201 days up to 25380 days are classified as stage 143 assets. Assets with DPD of 25381 days up to 25560 days are classified as stage 144 assets. Assets with DPD of 25561 days up to 25740 days are classified as stage 145 assets. Assets with DPD of 25741 days up to 25920 days are classified as stage 146 assets. Assets with DPD of 25921 days up to 26100 days are classified as stage 147 assets. Assets with DPD of 26101 days up to 26280 days are classified as stage 148 assets. Assets with DPD of 26281 days up to 26460 days are classified as stage 149 assets. Assets with DPD of 26461 days up to 26640 days are classified as stage 150 assets. Assets with DPD of 26641 days up to 26820 days are classified as stage 151 assets. Assets with DPD of 26821 days up to 27000 days are classified as stage 152 assets. Assets with DPD of 27001 days up to 27180 days are classified as stage 153 assets. Assets with DPD of 27181 days up to 27360 days are classified as stage 154 assets. Assets with DPD of 27361 days up to 27540 days are classified as stage 155 assets. Assets with DPD of 27541 days up to 27720 days are classified as stage 156 assets. Assets with DPD of 27721 days up to 27900 days are classified as stage 157 assets. Assets with DPD of 27901 days up to 28080 days are classified as stage 158 assets. Assets with DPD of 28081 days up to 28260 days are classified as stage 159 assets. Assets with DPD of 28261 days up to 28440 days are classified as stage 160 assets. Assets with DPD of 28441 days up to 28620 days are classified as stage 161 assets. Assets with DPD of 28621 days up to 28800 days are classified as stage 162 assets. Assets with DPD of 28801 days up to 28980 days are classified as stage 163 assets. Assets with DPD of 28981 days up to 29160 days are classified as stage 164 assets. Assets with DPD of 29161 days up to 29340 days are classified as stage 165 assets. Assets with DPD of 29341 days up to 29520 days are classified as stage 166 assets. Assets with DPD of 29521 days up to 29700 days are classified as stage 167 assets. Assets with DPD of 29701 days up to 29880 days are classified as stage 168 assets. Assets with DPD of 29881 days up to 30060 days are classified as stage 169 assets. Assets with DPD of 30061 days up to 30240 days are classified as stage 170 assets. Assets with DPD of 30241 days up to 30420 days are classified as stage 171 assets. Assets with DPD of 30421 days up to 30600 days are classified as stage 172 assets. Assets with DPD of 30601 days up to 30780 days are classified as stage 173 assets. Assets with DPD of 30781 days up to 30960 days are classified as stage 174 assets. Assets with DPD of 30961 days up to 31140 days are classified as stage 175 assets. Assets with DPD of 31141 days up to 31320 days are classified as stage 176 assets. Assets with DPD of 31321 days up to 31500 days are classified as stage 177 assets. Assets with DPD of 31501 days up to 31680 days are classified as stage 178 assets. Assets with DPD of 31681 days up to 31860 days are classified as stage 179 assets. Assets with DPD of 31861 days up to 32040 days are classified as stage 180 assets. Assets with DPD of 32041 days up to 32220 days are classified as stage 181 assets. Assets with DPD of 32221 days up to 32400 days are classified as stage 182 assets. Assets with DPD of 32401 days up to 32580 days are classified as stage 183 assets. Assets with DPD of 32581 days up to 32760 days are classified as stage 184 assets. Assets with DPD of 32761 days up to 32940 days are classified as stage 185 assets. Assets with DPD of 32941 days up to 33120 days are classified as stage 186 assets. Assets with DPD of 33121 days up to 33300 days are classified as stage 187 assets. Assets with DPD of 33301 days up to 33480 days are classified as stage 188 assets. Assets with DPD of 33481 days up to 33660 days are classified as stage 189 assets. Assets with DPD of 33661 days up to 33840 days are classified as stage 190 assets. Assets with DPD of 33841 days up to 34020 days are classified as stage 191 assets. Assets with DPD of 34021 days up to 34200 days are classified as stage 192 assets. Assets with DPD of 34201 days up to 34380 days are classified as stage 193 assets. Assets with DPD of 34381 days up to 34560 days are classified as stage 194 assets. Assets with DPD of 34561 days up to 34740 days are classified as stage 195 assets. Assets with DPD of 34741 days up to 34920 days are classified as stage 196 assets. Assets with DPD of 34921 days up to 35100 days are classified as stage 197 assets. Assets with DPD of 35101 days up to 35280 days are classified as stage 198 assets. Assets with DPD of 35281 days up to 35460 days are classified as stage 199 assets. Assets with DPD of 35461 days up to 35640 days are classified as stage 200 assets. Assets with DPD of 35641 days up to 35820 days are classified as stage 201 assets. Assets with DPD of 35821 days up to 36000 days are classified as stage 202 assets. Assets with DPD of 36001 days up to 36180 days are classified as stage 203 assets. Assets with DPD of 36181 days up to 36360 days are classified as stage 204 assets. Assets with DPD of 36361 days up to 36540 days are classified as stage 205 assets. Assets with DPD of 36541 days up to 36720 days are classified as stage 206 assets. Assets with DPD of 36721 days up to 36900 days are classified as stage 207 assets. Assets with DPD of 36901 days up to 37080 days are classified as stage 208 assets. Assets with DPD of 37081 days up to 37260 days are classified as stage 209 assets. Assets with DPD of 37261 days up to 37440 days are classified as stage 210 assets. Assets with DPD of 37441 days up to 37620 days are classified as stage 211 assets. Assets with DPD of 37621 days up to 37800 days are classified as stage 212 assets. Assets with DPD of 37801 days up to 37980 days are classified as stage 213 assets. Assets with DPD of 37981 days up to 38160 days are classified as stage 214 assets. Assets with DPD of 38161 days up to 38340 days are classified as stage 215 assets. Assets with DPD of 38341 days up to 38520 days are classified as stage 216 assets. Assets with DPD of 38521 days up to 38700 days are classified as stage 217 assets. Assets with DPD of 38701 days up to 38880 days are classified as stage 218 assets. Assets with DPD of 38881 days up to 39060 days are classified as stage 219 assets. Assets with DPD of 39061 days up to 39240 days are classified as stage 220 assets. Assets with DPD of 39241 days up to 39420 days are classified as stage 221 assets. Assets with DPD of 39421 days up to 39600 days are classified as stage 222 assets. Assets with DPD of 39601 days up to 39780 days are classified as stage 223 assets. Assets with DPD of 39781 days up to 39960 days are classified as stage 224 assets. Assets with DPD of 39961 days up to 40140 days are classified as stage 225 assets. Assets with DPD of 40141 days up to 40320 days are classified as stage 226 assets. Assets with DPD of 40321 days up to 40500 days are classified as stage 227 assets. Assets with DPD of 40501 days up to 40680 days are classified as stage 228 assets. Assets with DPD of 40681 days up to 40860 days are classified as stage 229 assets. Assets with DPD of 40861 days up to 41040 days are classified as stage 230 assets. Assets with DPD of 41041 days up to 41220 days are classified as stage 231 assets. Assets with DPD of 41221 days up to 41400 days are classified as stage 232 assets. Assets with DPD of 41401 days up to 41580 days are classified as stage 233 assets. Assets with DPD of 41581 days up to 41760 days are classified as stage 234 assets. Assets with DPD of 41761 days up to 41940 days are classified as stage 235 assets. Assets with DPD of 41941 days up to 42120 days are classified as stage 236 assets. Assets with DPD of 42121 days up to 42300 days are classified as stage 237 assets. Assets with DPD of 42301 days up to 42480 days are classified as stage 238 assets. Assets with DPD of 42481 days up to 42660 days are classified as stage 239 assets. Assets with DPD of 42661 days up to 42840 days are classified as stage 240 assets. Assets with DPD of 42841 days up to 43020 days are classified as stage 241 assets. Assets with DPD of 43021 days up to 43200 days are classified as stage 242 assets. Assets with DPD of 43201 days up to 43380 days are classified as stage 243 assets. Assets with DPD of 43381 days up to 43560 days are classified as stage 244 assets. Assets with DPD of 43561 days up to 43740 days are classified as stage 245 assets. Assets with DPD of 43741 days up to 43920 days are classified as stage 246 assets. Assets with DPD of 43921 days up to 44100 days are classified as stage 247 assets. Assets with DPD of 44101 days up to 44280 days are classified as stage 248 assets. Assets with DPD of 44281 days up to 44460 days are classified as stage 249 assets. Assets with DPD of 44461 days up to 44640 days are classified as stage 250 assets. Assets with DPD of 44641 days up to 44820 days are classified as stage 251 assets. Assets with DPD of 44821 days up to 45000 days are classified as stage 252 assets. Assets with DPD of 45001 days up to 45180 days are classified as stage 253 assets. Assets with DPD of 45181 days up to 45360 days are classified as stage 254 assets. Assets with DPD of 45361 days up to 45540 days are classified as stage 255 assets. Assets with DPD of 45541 days up to 45720 days are classified as stage 256 assets. Assets with DPD of 45721 days up to 45900 days are classified as stage 257 assets. Assets with DPD of 45901 days up to 46080 days are classified as stage 258 assets. Assets with DPD of 46081 days up to 46260 days are classified as stage 259 assets. Assets with DPD of 46261 days up to 46440 days are classified as stage 260 assets. Assets with DPD of 46441 days up to 46620 days are classified as stage 261 assets. Assets with DPD of 46621 days up to 46800 days are classified as stage 262 assets. Assets with DPD of 46801 days up to 46980 days are classified as stage 263 assets. Assets with DPD of 46981 days up to 47160 days are classified as stage 264 assets. Assets with DPD of 47161 days up to 47340 days are classified as stage 265 assets. Assets with DPD of 47341 days up to 47520 days are classified as stage 266 assets. Assets with DPD of 47521 days up to 47700 days are classified as stage 267 assets. Assets with DPD of 47701 days up to 47880 days are classified as stage 268 assets. Assets with DPD of 47881 days up to 48060 days are classified as stage 269 assets. Assets with DPD of 48061 days up to 48240 days are classified as stage 270 assets. Assets with DPD of 48241 days up to 48420 days are classified as stage 271 assets. Assets with DPD of 48421 days up to 48600 days are classified as stage 272 assets. Assets with DPD of 48601 days up to 48780 days are classified as stage 273 assets. Assets with DPD of 48781 days up to 48960 days are classified as stage 274 assets. Assets with DPD of 48961 days up to 49140 days are classified as stage 275 assets. Assets with DPD of 49141 days up to 49320 days are classified as stage 276 assets. Assets with DPD of 49321 days up to 49500 days are classified as stage 277 assets. Assets with DPD of 49501 days up to 49680 days are classified as stage 278 assets. Assets with DPD of 49681 days up to 49860 days are classified as stage 279 assets. Assets with DPD of 49861 days up to 50040 days are classified as stage 280 assets. Assets with DPD of 50041 days up to 50220 days are classified as stage 281 assets. Assets with DPD of 50221 days up to 50400 days are classified as stage 282 assets. Assets with DPD of 50401 days up to 50580 days are classified as stage 283 assets. Assets with DPD of 50581 days up to 50760 days are classified as stage 284 assets. Assets with DPD of 50761 days up to 50940 days are classified as stage 285 assets. Assets with DPD of 50941 days up to 51120 days are classified as stage 286 assets. Assets with DPD of 51121 days up to 51300 days are classified as stage 287 assets. Assets with DPD of 51301 days up to 51480 days are classified as stage 288 assets. Assets with DPD of 51481 days up to 51660 days are classified as stage 289 assets. Assets with DPD of 51661 days up to 51840 days are classified as stage 290 assets. Assets with DPD of 51841 days up to 52020 days are classified as stage 291 assets. Assets with DPD of 52021 days up to 52200 days are classified as stage 292 assets. Assets with DPD of 52201 days up to 52380 days are classified as stage 293 assets. Assets with DPD of 52381 days up to 52560 days are classified as stage 294 assets. Assets with DPD of 52561 days up to 52740 days are classified as stage 295 assets. Assets with DPD of 52741 days up to 52920 days are classified as stage 296 assets. Assets with DPD of 52921 days up to 53100 days are classified as stage 297 assets. Assets with DPD of 53101 days up to 53280 days are classified as stage 298 assets. Assets with DPD of 53281 days up to 53460 days are classified as stage 299 assets. Assets with DPD of 53461 days up to 53640 days are classified as stage 300 assets. Assets with DPD of 53641 days up to 53820 days are classified as stage 301 assets. Assets with DPD of 53821 days up to 54000 days are classified as stage 302 assets. Assets with DPD of 54001 days up to 54180 days are classified as stage 303 assets. Assets with DPD of 54181 days up to 54360 days are classified as stage 304 assets. Assets with DPD of 54361 days up to 54540 days are classified as stage 305 assets. Assets with DPD of 54541 days up to 54720 days are classified as stage 306 assets. Assets with DPD of 54721 days up to 54900 days are classified as stage 307 assets. Assets with DPD of 54901 days up to 55080 days are classified as stage 308 assets. Assets with DPD of 55081 days up to 55260 days are classified as stage 309 assets. Assets with DPD of 55261 days up to 55440 days are classified as stage 310 assets. Assets with DPD of 55441 days up to 55620 days are classified as stage 311 assets. Assets with DPD of 55621 days up to 55800 days are classified as stage 312 assets. Assets with DPD of 55801 days up to 55980 days are classified as stage 313 assets. Assets with DPD of 55981 days up to 56160 days are classified as stage 314 assets. Assets with DPD of 56161 days up to 56340 days are classified as stage 315 assets. Assets with DPD of 56341 days up to 56520 days are classified as stage 316 assets. Assets with DPD of 56521 days up to 56700 days are classified as stage 317 assets. Assets with DPD of 56701 days up to 56880 days are classified as stage 318 assets. Assets with DPD of 56881 days up to 57060 days are classified as stage 319 assets. Assets with DPD of 57061 days up to 57240 days are classified as stage 320 assets. Assets with DPD of 57241 days up to 57420 days are classified as stage 321 assets. Assets with DPD of 57421 days up to 57600 days are classified as stage 322 assets. Assets with DPD of 57601 days up to 57780 days are classified as stage 323 assets. Assets with DPD of 57781 days up to 57960 days are classified as stage 324 assets. Assets with DPD of 57961 days up to 58140 days are classified as stage 325 assets. Assets with DPD of 58141 days up to 58320 days are classified as stage 326 assets. Assets with DPD of 58321 days up to 58500 days are classified as stage 327 assets. Assets with DPD of 58501 days up to 58680 days are classified as stage 328 assets. Assets with DPD of 58681 days up to 58860 days are classified as stage 329 assets. Assets with DPD of 58861 days up to 59040 days are classified as stage 330 assets. Assets with DPD of 59041 days up to 59220 days are classified as stage 331 assets. Assets with DPD of 59221 days up to 59400 days are classified as stage 332 assets. Assets with DPD of 59401 days up to 59580 days are classified as stage 333 assets. Assets with DPD of 59581 days up to 59760 days are classified as stage 334 assets. Assets with DPD of 59761 days up to 59940 days are classified as stage 335 assets. Assets with DPD of 59941 days up to 60120 days are classified as stage 336 assets. Assets with DPD of 60121 days up to 60300 days are classified as stage 337 assets. Assets with DPD of 60301 days up to 60480 days are classified as stage 338 assets. Assets with DPD of 60481 days up to 60660 days are classified as stage 339 assets. Assets with DPD of 60661 days up to 60840 days are classified as stage 340 assets. Assets with DPD of 60841 days up to 61020 days are classified as stage 341 assets. Assets with DPD of 61021 days up to 61200 days are classified as stage 342 assets. Assets with DPD of 61201 days up to 61380 days are classified as stage 343 assets. Assets with DPD of 61381 days up to 61560 days are classified as stage 344 assets. Assets with DPD of 61561 days up to 61740 days are classified as stage 345 assets. Assets with DPD of 61741 days up to 61920 days are classified as stage 346 assets. Assets with DPD of 61921 days up to 62100 days are classified as stage 347 assets. Assets with DPD of 62101 days up to 62280 days are classified as stage 348 assets. Assets with DPD of 62281 days up to 62460 days are classified as stage 349 assets. Assets with DPD of 62461 days up to 62640 days are classified as stage 350 assets. Assets with DPD of 62641 days up to 62820 days are classified as stage 351 assets. Assets with DPD of 62821 days up to 63000 days are classified as stage 352 assets. Assets with DPD of 63001 days up to 63180 days are classified as stage 353 assets. Assets with DPD of 63181 days up to 63360 days are classified as stage 354 assets. Assets with DPD of 63361 days up to 63540 days are classified as stage 355 assets. Assets with DPD of 63541 days up to 63720 days are classified as stage 356 assets. Assets with DPD of 63721 days up to 63900 days are classified as stage 357 assets. Assets with DPD of 63901 days up to 64080 days are classified as stage 358 assets. Assets with DPD of 64081 days up to 64260 days are classified as

Forward-Looking Information

[illegible]

Reconciliation of F.C.T. balances in given below :

	As at 31 March 2012 (€ million)			As at 31 March 2013 (€ million)		
	Share 1	Share 2	Total	Share 1	Share 2	Total
FCI - offshore, against balance	124.3	2.6	126.9	355.3	0	355.3
FCI - offshore, against balance	1,416.74	0.21	1,416.97	0	0	0
New assets originated or purchased	(69.32)	(11.2)	(80.52)	(169.13)	(62.46)	(231.59)
Assets derecognised or repaid	1,485.9	0.00	1,485.9	1,562.4	552.42	2,114.82
Net transfers within Stage 1	111.6	10.93	122.53	(2.88)	0	(2.88)
Net transfers within Stage 2	8.57	1.40	9.97	0.84	0	0.84
Net transfers within Stage 3	230.31	80.06	310.37	(2,579.57)	1,108.77	(1,470.80)
Net transfers (including FCI)	318.12	92.46	410.58	(2,579.57)	1,108.77	(1,470.80)
FCI - offshore, clearing balance	1,214.65	(509.32)	705.33	96.31	(1,175.43)	(1,079.12)
	1,214.65	(509.32)	705.33	96.31	(1,175.43)	(1,079.12)
	1,214.65	(509.32)	705.33	96.31	(1,175.43)	(1,079.12)

Cardinal Quality:

The Company has classified portfolio names as financial assets at amortized cost and has assessed it as low collective pool over the vintage analysis horizon. The vintage analysis horizon, the number of years in which the vintage is analyzed, is 12 years. The Company has classified portfolio names as financial assets at amortized cost and has assessed it as low collective pool over the vintage analysis horizon. The vintage analysis horizon, the number of years in which the vintage is analyzed, is 12 years. The Company has classified portfolio names as financial assets at amortized cost and has assessed it as low collective pool over the vintage analysis horizon. The vintage analysis horizon, the number of years in which the vintage is analyzed, is 12 years.

The vintage analysis methodology has been used to create the LQD vintage. The LQD vintage takes into account the recovery experience across maturity of a particular portfolio post default. The recoveries are tracked from the date of default using the effective interest rate

Accordingly, the Company analyzes exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

	As at 31 March 2024 (€ million)				As at 31 March 2023 (€ million)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Periodicals	83,625.65	66.60	1,914.13	85,606.38	21.51	1,705.42	-	1,726.93
Operating balance	1,497,432.34	-	-	1,497,432.34	1,497,432.34	-	-	1,497,432.34
Assets derecognised as unperfected	(46,041.17)	-	(0.00)	(46,041.17)	(46,041.17)	-	-	(46,041.17)
Assets derecognised as creditworthy	(5,963.45)	(678.58)	3,664.72	(2,977.31)	(5,963.45)	(2,709.15)	-	(8,672.60)
Net transfers within Stage 1	6.82	23,166.92	-	23,173.74	3,384.34	694.68	3,384.34	7,469.36
Net transfers within Stage 2	-	-	6.50	6.50	-	-	6.50	6.50
Net transfers within Stage 3	-	2.41	-	2.41	-	10.43	-	10.43
Net transfers within Stage 4	-	-	-	-	-	-	-	-
Net transfers within Stage 5	-	-	-	-	-	-	-	-
Net transfers within Stage 6	-	-	-	-	-	-	-	-
Net transfers within Stage 7	-	-	-	-	-	-	-	-
Net transfers within Stage 8	-	-	-	-	-	-	-	-
Net transfers within Stage 9	-	-	-	-	-	-	-	-
Net transfers within Stage 10	-	-	-	-	-	-	-	-
Net transfers within Stage 11	-	-	-	-	-	-	-	-
Net transfers within Stage 12	-	-	-	-	-	-	-	-
Net transfers within Stage 13	-	-	-	-	-	-	-	-
Net transfers within Stage 14	-	-	-	-	-	-	-	-
Net transfers within Stage 15	-	-	-	-	-	-	-	-
Net transfers within Stage 16	-	-	-	-	-	-	-	-
Net transfers within Stage 17	-	-	-	-	-	-	-	-
Net transfers within Stage 18	-	-	-	-	-	-	-	-
Net transfers within Stage 19	-	-	-	-	-	-	-	-
Net transfers within Stage 20	-	-	-	-	-	-	-	-
Net transfers within Stage 21	-	-	-	-	-	-	-	-
Net transfers within Stage 22	-	-	-	-	-	-	-	-
Net transfers within Stage 23	-	-	-	-	-	-	-	-
Net transfers within Stage 24	-	-	-	-	-	-	-	-
Net transfers within Stage 25	-	-	-	-	-	-	-	-
Net transfers within Stage 26	-	-	-	-	-	-	-	-
Net transfers within Stage 27	-	-	-	-	-	-	-	-
Net transfers within Stage 28	-	-	-	-	-	-	-	-
Net transfers within Stage 29	-	-	-	-	-	-	-	-
Net transfers within Stage 30	-	-	-	-	-	-	-	-
Net transfers within Stage 31	-	-	-	-	-	-	-	-
Net transfers within Stage 32	-	-	-	-	-	-	-	-
Net transfers within Stage 33	-	-	-	-	-	-	-	-
Net transfers within Stage 34	-	-	-	-	-	-	-	-
Net transfers within Stage 35	-	-	-	-	-	-	-	-
Net transfers within Stage 36	-	-	-	-	-	-	-	-
Net transfers within Stage 37	-	-	-	-	-	-	-	-
Net transfers within Stage 38	-	-	-	-	-	-	-	-
Net transfers within Stage 39	-	-	-	-	-	-	-	-
Net transfers within Stage 40	-	-	-	-	-	-	-	-
Net transfers within Stage 41	-	-	-	-	-	-	-	-
Net transfers within Stage 42	-	-	-	-	-	-	-	-
Net transfers within Stage 43	-	-	-	-	-	-	-	-
Net transfers within Stage 44	-	-	-	-	-	-	-	-
Net transfers within Stage 45	-	-	-	-	-	-	-	-
Net transfers within Stage 46	-	-	-	-	-	-	-	-
Net transfers within Stage 47	-	-	-	-	-	-	-	-
Net transfers within Stage 48	-	-	-	-	-	-	-	-
Net transfers within Stage 49	-	-	-	-	-	-	-	-
Net transfers within Stage 50	-	-	-	-	-	-	-	-
Net transfers within Stage 51	-	-	-	-	-	-	-	-
Net transfers within Stage 52	-	-	-	-	-	-	-	-
Net transfers within Stage 53	-	-	-	-	-	-	-	-
Net transfers within Stage 54	-	-	-	-	-	-	-	-
Net transfers within Stage 55	-	-	-	-	-	-	-	-
Net transfers within Stage 56	-	-	-	-	-	-	-	-
Net transfers within Stage 57	-	-	-	-	-	-	-	-
Net transfers within Stage 58	-	-	-	-	-	-	-	-
Net transfers within Stage 59	-	-	-	-	-	-	-	-
Net transfers within Stage 60	-	-	-	-	-	-	-	-

Trends in variables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine insured and exposed credit risks. Historical trends of collection from counterparties on entity basis reflected on level of credit risk. Company's credit ECL on trade receivable balances in line with ECL policy.

Cash and cash equivalents, other bank balances and other financial assets

The Company has a low credit risk exposure with financial institutions and other financial assets. Funds are invested there taking and account parameters like safety, liquidity and past tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit rating of its counterparties are monitored on an ongoing basis.

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The Company holds cash and cash equivalents and other bank balances with banks and financial institutions. The creditworthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security default and advance given for business purpose is spread across and carry low credit exposure as the Company has possession of rental premises and other with whom the Company has worked with for a number of years.

Write off policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan

Analysis of risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

obligations to be similarly affected by changes in economic, political or other conditions

Since the Company provides only retail loans, there is not significant concentration risk at the borrower / counterparty level.

Stress testing of portfolio

The Company evaluates potentially adverse scenarios that may impact the business or portfolio performance. Annual stress test exercise covering the entire portfolio is performed to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions. The assessed impact is incorporated into risk appetite of the Company to ensure regulatory compliance.

Exposure to credit risk

The carrying amount of financial assets represents the maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of all financial assets except cash on hand and investment in government securities.

Particulars	As at 31 March 2012 (₹ lakhs)	As at 31 March 2011 (₹ lakhs)
Excess amount payable to creditors	97,500.77	60,165.33

b. Liquidity Risk

Applicable risks are risks that the Company thought, at least, either does not have sufficient financial resources available to meet its obligations as they fall due, or can lessen them only at excessive cost. Liability risk management involves estimating and managing the liquidity requirements of the Company within acceptable financial boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

b. Liquidity Risk

1. Leverage diversification demonstrated by an increase in hidden, narrow instruments (bank, finance, bonds, money market instruments, sell down of loan portfolio) and liquidity pools (stocks, mutual funds, derivatives, companies, precious metals, foreign portfolio investment)

Insurance companies

1. Liquidity shortfalls demonstrated by a increase in bid-ask, worse performance (bank spread, bonds, money market instruments, and loans of bank portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. A widening of asset and liability cost
3. Maintenance of adequate liquidity buffer as per internal policy

Structural liquidity mismatch





Fair value of financial instruments not measured at fair value
Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(Rs. in Lakhs)							
Particulars	Level	Carrying Value			Fair Value		
		Mar-24	Mar-23	Apr-22	Mar-24	Mar-23	Apr-22
Financial assets measured at Amortised cost							
Cash and cash equivalents	1	20,645.65	20,659.45	2,863.60	20,645.65	20,659.45	2,863.60
Bank Balance other than above	1	3,618.15	11.23	49.65	3,618.15	11.23	49.65
Trade receivable	3	275.15	-	-	275.15	-	-
Loans	3	93,780.75	54,466.88	35,512.13	93,780.75	54,466.88	35,512.13
Investments	3	-	400.27	-	-	400.27	-
Other Financial assets	3	1,307.07	24.48	29.09	1,307.07	24.48	29.09
Total financial assets		1,19,626.77	75,562.31	38,454.48	1,19,626.77	75,562.31	38,454.48
Financial Liabilities measured at amortised cost							
Debt Securities	3	34,192.49	16,291.51	14,804.34	34,192.49	16,291.51	14,804.34
Borrowings (other than debt securities)	3	61,048.53	32,723.51	10,991.34	61,048.53	32,723.51	10,991.34
Other Financial liabilities	3	911.46	158.50	198.44	911.46	158.50	198.44
Financial Liabilities		96,152.47	49,173.52	25,994.12	96,152.47	49,173.52	25,994.12

There have been no transfers between the level 1 and level 2 during the period.

Note 42: Maturity Analysis of Assets and Liabilities

Particulars	As at 31 March 2024 (₹ lakhs)			As at 31 March 2023 (₹ lakhs)		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	20,645.65	-	20,645.65	20,659.45	-	20,659.45
Bank balance other than cash and cash equivalents	3,618.15	-	3,618.15	11.23	-	11.23
Trade Receivables	275.15	-	275.15	-	-	-
Loans	72,353.71	21,427.04	93,780.75	44,585.01	9,881.87	54,466.88
Investments	-	-	-	400.27	-	400.27
Other Financial assets	1,307.07	-	1,307.07	24.48	-	24.48
Non Financial assets						
Property, plant and equipment	-	37.92	37.92	-	32.82	32.82
Right of use assets	-	139.54	139.54	-	69.60	69.60
Intangible assets	-	1,496.79	1,496.79	-	401.39	401.39
Goodwill	-	747.32	747.32	-	747.32	747.32
Other non-financial assets	3,389.12	-	3,389.12	772.66	-	772.66
Total Assets	1,01,588.86	23,848.61	1,25,437.47	66,453.11	11,333.00	77,786.10
Financial Liabilities						
Trade payable	297.36	-	297.36	155.01	-	155.01
Debt securities	15,385.72	18,806.77	34,192.49	4,000.00	12,291.51	16,291.51
Borrowings (other than debt securities)	36,341.38	24,707.15	61,048.53	18,543.59	14,179.92	32,723.51
Other financial liabilities	828.38	83.08	911.46	120.51	37.99	158.50
Non-financial liabilities						
Provisions	1,609.36	-	1,609.36	1,094.88	-	1,094.88
Other non-financial liabilities	1,346.98	-	1,346.98	1,006.51	-	1,006.51
Equity						
Equity share capital	-	15,090.72	15,090.72	-	15,083.22	15,083.22
Investments entirely Equity in nature	-	24,512.30	24,512.30	-	23,084.22	23,084.22
Other equity	-	(13,571.72)	(13,571.72)	-	(11,811.26)	(11,811.26)
Total liabilities	55,809.13	69,628.30	1,25,437.47	24,926.50	52,865.60	77,786.10

* Loans and advances are classified based on behavioural pattern and management estimation of future inflows and outflows which have been relied by auditors.



Avanti Finance Private Limited**Notes forming part of Consolidated financial statements****Note 43**

The company operates as a Non-Banking Finance Company. As per the Chief Operating decision maker, all the activities of the Company revolve around the main business and there is no other relevant segment. Further, the Company does not have any separate geographical segments other than India. As such there are no separate reportable segments as per Ind AS -108 "Operating Segments".

Note 44 Commitment, Contingent Liability and Contingent assets

- (a) **Capital commitment** Commitment towards development of Avanti Platform as at March 31, 2024 Rs. 4778.50 Lakhs (P.Y. Rs Nil)
- (b) **Other commitment**: Commitment towards Loans sanctioned before March 31, 2024 but not disbursed is Rs. 1,01,32,000 (P.Y. Rs.74,75,000).
- (c) **Contingent Liability**: Claims against Company not acknowledged as debts as at March 31, 2024 is Nil (P.Y. Rs.Nil)
- (d) **Contingent Assets**: The Company has FLDG (First Loss default Gurantee) from its partners of INR 2794.29 Lakhs as on March 31, 2024

Note 45: Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Particular	(Rupees in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	89.26	-
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, 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 of the Micro small and Medium Enterprise Development Act, 2006.	-	-

Note 46: Tax litigations

The Company has received assessment order under section 143(3) for the AY 2021-22 on December 22, 2023, where by the department has reduced the brought forward loss of the company by INR 1,32,63,248/-. The Company has filed appeal before CIT(A) against the order under section 143(3) and the proceedings are pending before CIT(A).



Note 47: 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 23, Sept 23 and Dec 23 are in agreement with the books of accounts. Further for quarter ended Mar 24 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. Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year

h. Utilisation of Borrowed funds and share premium: During the financial year ended March 31, 2024, 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



i. **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.

j. **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 48: Corporate Social Responsibility

The Company is consecutively incurring losses from past two years, hence there is no liability towards CSR activities as specified under Section 135 of the Companies Act, 2013.

Note 49: Events after reporting date

There are no events after the reporting date that require disclosure in these financial statements.

Note 50: Details of Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition:

Particular	As at 31 March 2024	As at 31 March 2023
Carrying amount of derecognised financial assets measured at amortised cost	5,992.25	263.50
Net Gain/(loss) from derecognition for the year	818.15	-
Carrying amount of derecognised financial assets carried at FVOCI	-	-
Net Gain/(loss) from derecognition for the year	-	-
Particular	As at 31 March 2024	As at 31 March 2023
Carrying amount of continuing involvement in derecognised financial assets	1,629.63	30.53

Note 51

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 51

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajih
Partner

Place: Mumbai



For and on behalf of the Board of Directors

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary

Mr. Rahul Gupta
Director
DIN: 09247626

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVANTI
FINANCE PRIVATE 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 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity 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 the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024 and profit, total comprehensive income, changes in equity 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.

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the financial year ended 31st March 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, Other Comprehensive Income, Statement of Changes in Equity 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 Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with read with relevant rules issued thereunder;
 - e. on the basis of written representations received from the directors, as on 31st March, 2024 taken on record by the Board of Directors, none of the other directors is disqualified as on 31st March, 2024, 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 with reference to Financial Statements 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 has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 48 to the Standalone Financial Statements.
 - 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, 2024; and



- d. (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer note 49 (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 its knowledge and belief, as disclosed in the notes to the accounts (Refer note 49 (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. 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the Reporting on Audit Trail as per the proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is given as follows: -

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.



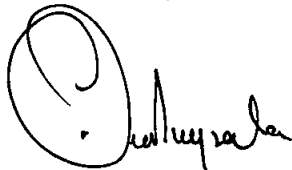
As proviso to rule 3(1) of the companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees and commission paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

For M. P. Chitale & Co.

Chartered Accountants

Firm Regn. No.101851W



Murtuza Vajihi

Partner

Membership No.: 112555

UDIN: 24112555BKCZAT2817

Place: Mumbai

Date: September 26, 2024

**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 discrepancies noticed on such verification were not material.
- (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) and intangible 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, 2024 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 29382 cases having outstanding balance at year end aggregating to Rs 6,677.98 lakhs (net of write offs) and 38845 accounts aggregating to an amount of Rs 5,219.59 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)
9500	1,420.17	745.69	2,165.85

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 except there have been certain delays in payment of profession tax dues and ESIC dues. 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, 2023 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 preference shares aggregating to Rs. 4100 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 not noticed instances of fraud by the Company. Details of fraud on the Company, noticed or reported during the year are as under:

Nature of Fraud	Amount involved (Rs. in lakhs)
Mis-appropriation of disbursements by a channel partner.	2432.89
Delayed deposits of EMI collection	8.14

- (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 up to 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) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



- (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 not incurred cash losses during the financial year under audit but had incurred cash losses amounting to Rs 2,317.51 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (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: 24112555BKCZAT2817
Place: Mumbai
Date: September 26, 2024

**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")

We have audited the internal financial controls with reference to Standalone Financial Statements of **Avanti Finance Private Limited** as of 31st March, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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.

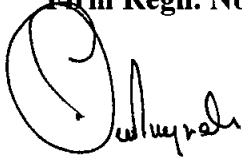
Opinion

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, 2024, 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 Vajihi

Partner

Membership No.: 112555

UDIN: 24112555BKCZAT2817

Place: Mumbai

Date: September 26, 2024

Avanti Finance Private Limited
Standalone Balance Sheet as at March 31, 2024

(Rs. In Lakhs)				
Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
ASSETS				
1 Financial assets				
(a) Cash and cash equivalents	6	20,637.64	20,646.57	2,321.27
(b) Bank balance other than cash and cash equivalents	7	3,618.15	11.23	49.65
(c) Trade Receivables	8	275.15	-	-
(d) Loans	9	92,959.43	53,808.55	34,972.65
(e) Investments	10	3,951.61	4,351.88	3,951.61
(f) Other financial assets	11	1,313.43	24.48	29.09
2 Non-financial assets				
(a) Property, plant and equipment	12	37.92	32.82	50.72
(b) Right of use assets	13	139.54	69.60	5.45
(c) Intangible assets	14	1,496.79	601.39	-
(d) Other non-financial assets	15	3,389.12	771.44	891.09
Total Assets		1,27,818.79	80,317.97	42,271.53
LIABILITIES AND EQUITY				
1 Financial liabilities				
(a) Trade payable				
(i) Total outstanding dues of micro enterprises and small enterprises	16	89.26	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	182.24	137.74	24.93
(b) Borrowings- Debt securities	17	34,192.49	16,291.51	14,804.34
- Borrowings (other than debt securities)	18	61,048.53	32,723.51	10,991.34
- Subordinated liabilities		-	-	-
(c) Other financial liabilities	19	911.46	236.35	385.12
2 Non-financial liabilities				
(a) Provisions	20	1,609.36	1,094.88	705.64
(b) Other non-financial liabilities	21	1,345.17	1,003.25	505.57
3 Equity				
(a) Equity share capital	22	15,090.72	15,083.22	14,903.22
(b) Instruments entirely Equity in nature	22	24,512.30	23,084.22	15,600.00
(c) Other equity	23	(11,162.74)	(9,336.72)	(15,648.62)
Total Liabilities and Equity		1,27,818.79	80,317.97	42,271.53

Refer Summary of material accounting policies and accompanying notes which form 1-53 an integral part of the financial statements

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants



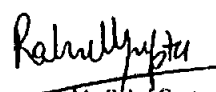
Murtuza Vajithi
Partner

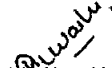
Place: Mumbai



For and on behalf of the Board of Directors


Dr. Vijay Laxman Kelkar
Director
DIN: 00011991


Mr. Rahul Gupta
Director
DIN: 09247626


Ms. Urvashi P. Bahirsheth
Company Secretary

Avanti Finance Private Limited
Standalone statement of Profit and Loss for the year ended March 31, 2024

					(Rs. In Lakhs)	
	Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023		
	Revenue from operations					
	(i) Interest income	24	21,771.98	10,476.00		
	(ii) Fees and Commission	25	1,170.97	46.23		
	(iii) Net gain on fair value changes on investments	26	274.06	42.19		
	(iv) Net gain on derecognition of financial instruments		823.93	-		
(I)	Total Revenue from operations		24,040.94	10,564.41		
(II)	Other Income	27	1,060.61	301.81		
(III)	Total Income (I + II)		25,101.56	10,866.23		
	Expenses					
	(i) Finance cost	28	8,219.06	4,339.90		
	(ii) Fee and commission expenses	29	7,436.71	3,091.67		
	(iii) Impairment of financial instruments	30	3,173.95	2,882.46		
	(iv) Employee benefit expenses	31	3,650.54	2,764.17		
	(v) Depreciation, amortization and impairment	32	526.56	110.85		
	(vi) Hosting and Licensing Fee		1,471.40	1,241.50		
	(vii) Other expenses	33	2,007.01	1,440.43		
(IV)	Total Expenses		26,485.22	15,870.99		
(V)	Profit/(loss) before tax (III - IV)		(1,383.66)	(5,004.77)		
(VI)	Exceptional items					
(VII)	Profit/(loss) before tax (V- VI)		(1,383.66)	(5,004.77)		
(VIII)	Tax Expense:					
	(i) Current tax		-	-		
(IX)	Profit/(loss) for the period		(1,383.66)	(5,004.77)		
	Other Comprehensive Income					
A)	Items that will not be classified to profit or loss					
	(i) Remeasurement gain/ (loss) of defined benefit plans	35	(1.26)	(9.26)		
	(ii) Tax impact thereon					
	Subtotal (A)	35	(1.26)	(9.26)		
B)	Items that will be classified to profit or loss					
	(i) Fair value gain/ (loss) on debt instruments measured at FVOCI					
	(ii) Tax impact thereon					
	Subtotal (B)		-	-		
	Other Comprehensive Income (A + B)		(1.26)	(9.26)		
	Total Comprehensive Income for the period (VII + VIII)		(1,384.92)	(5,014.03)		
	Earnings per equity share					
	Basic (Rs.)	34	(0.92)	(3.33)		
	Diluted (Rs.)	34	(0.92)	(3.33)		

Refer Summary of material accounting policies and accompanying notes 1-53
which form an integral part of the financial statements

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajih
Partner

Place: Mumbai



For and on behalf of the Board of Directors

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Mr. Rahul Gupta
Director
DIN: 09247626

Ms. Urvasi P. Bahirsheth
Company Secretary

Avanti Finance Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2024

	(Rs. In Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities		
Profit before tax	(1,383.66)	(5,004.77)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	526.56	110.85
Impairment on financial instruments	3,173.95	2,882.46
Loss allowance on financial guarantee	63.64	
Finance cost	8,219.06	4,339.90
Interest income on deposits	(186.37)	(141.76)
Net gain on fair value changes on investments	(274.06)	(42.19)
ESOP compensation expense	167.19	30.50
Operating Profit Before Working Capital Changes	10,306.30	2,175.00
Working capital changes		
(Increase) / Decrease in Trade receivables	(277.75)	-
(Increase) / Decrease in Loans	(42,322.67)	(21,717.35)
(Increase) / Decrease in Other financial asset	(1,288.95)	4.60
(Increase) / Decrease in Other non financial asset	(2,617.68)	119.65
Increase / (Decrease) in Trade and Other payables	133.76	112.82
Increase / (Decrease) in Other financial liabilities	674.89	(149.11)
Increase / (Decrease) in Other non financial liabilities	341.92	497.68
Increase / (Decrease) in Provision	450.03	378.97
(Increase) / Decrease in Bank Balance other than cash and cash equivalent	(3,606.92)	38.42
Cash flows from/(used in) operating activities before tax	(38,207.08)	(18,539.32)
Interest paid on borrowings	(8,219.06)	(4,339.90)
Income tax paid	-	-
Net cash flows from/(used in) operating activities	(46,426.14)	(22,879.22)
Investing activities		
Net acquisition of fixed and intangible assets	(1,496.99)	(758.50)
Investment in mutual funds	400.27	(400.27)
Interest received on deposits	186.37	141.76
Interest received on Mutual funds	274.06	42.19
Net cash flows from/(used in) investing activities	(636.29)	(974.82)
Financing activities		
Proceeds from issue of shares	1,435.57	7,664.22
Security premium	2,671.93	8,015.78
Share application money received	(3,279.99)	3,279.99
Net receipts/Payments from borrowings	46,225.99	23,219.34
Net cash flows from financing activities	47,053.50	42,179.34
Net increase in cash and cash equivalents	(8.93)	18,325.30
Net foreign exchange difference	-	-
Cash and cash equivalents at 1 April	20,646.57	2,321.27
Cash and cash equivalents at reporting date	20,637.64	20,646.57
Components of Cash and Cash Equivalents:		
Cash on hand	20.70	-
Balances with Banks		
- in current accounts	5,534.78	19,372.00
- Bank deposit with maturity of less than 3 months	15,082.16	1,274.57
Total	20,637.64	20,646.57

Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements

1-53

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

(Signature)



Murtuza Vajhi
Partner

Place: Mumbai

For and on behalf of the Board of Directors

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary

(Signature)
Mr. Rahul Gupta
Director
DIN: 09247626



Avanti Finance Private Limited
Statement of Change in Equity for the year ended March 31, 2024

Reconciliation of Shares outstanding	
Equity share capital	
Particulars	(Rs. In lakhs)
Particulars	Amount
Equity share of Rs. 10 each fully paid up as at 31 March 2022	14,903.22
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 31 March 2022	14,903.22
Changes during the year ended 31 March 2023	180.00
Equity share of Rs. 10 each fully paid up as at 31 March 2023	15,083.22
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the 31 March 2023	15,083.22
Changes during the year ended 31 March 2024	7.50
Equity share of Rs. 10 each fully paid up as at 31 March 2024	15,090.72

Instruments entirely Equity in nature	
(Rs. In lakhs)	
Particulars	Amount
Share of Rs. 10 each fully paid up as at 31 March 2022	15,600.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 31 March 2022	15,600.00
Changes during the year ended 31 March 2023	7,484.22
Shares of Rs. 10 each fully paid up as at 31 March 2023	23,084.22
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the 31 March 2023	23,084.22
Changes during the year ended 31 March 2024	1,428.07
Shares of Rs. 10 each fully paid up as at 31 March 2024	24,512.30

b. Other Equity

Particulars	Reserves and Surplus				
	Securities Premium Account	ESOP reserve	Retained Earnings	Share Application Money	Other comprehensive Income
Balance as at April 01, 2022	-	41.39	(15,685.81)	-	(4.20)
Dividends including tax:	-	-	(0.34)	-	-
Transfer to/ from retained earnings	-	-	-	-	-
Other Additions / Deductions during the year	-	-	-	-	-
Premium received during the year	8,015.78	30.50	(5,004.77)	3,279.99	-
Profit (loss) for the year after income tax	-	-	-	-	(9.26)
Other Comprehensive Income for the year before income tax	-	-	-	-	-
Less: Income Tax	-	-	-	-	-
Balance as at March 31, 2023	8,015.78	71.89	(20,690.92)	3,279.99	(13.46)
Dividends including tax:	-	-	(0.22)	-	-
Transfer to/ from retained earnings	-	-	-	-	-
Other Additions / Deductions during the year	-	167.19	-	-	-
Premium received during the year	2,671.93	-	(1,383.66)	-	(1.26)
Profit (loss) for the year after income tax	-	-	-	-	-
Other Comprehensive Income for the year before income tax	-	-	-	-	-
Less: Income Tax	-	-	-	-	-
Balance as at March 31, 2024	10,687.70	239.08	(22,074.79)	-	(14.72)

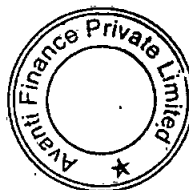
Refer Summary of material accounting policies and accompanying notes which form an integral part of the financial statements

1-53

In terms of our report attached

For and on behalf of the Board of Directors

M. P. Chitale & Co.
Chartered Accountants



Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Mr. Rahul Gupta
Director
DIN: 09247626

Murtaza Vajithi
Partner

Ms. Urvashi P. Bhirisheth
Company Secretary

Place: Mumbai

Avanti Finance Private Limited

Notes forming part of financial statements

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.

2. Basis of preparation

Statement of compliance

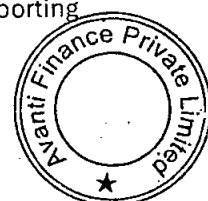
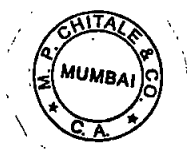
These financial statements have been prepared, on a going concern basis, in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, the circulars, the guidelines and the master directions issued by the Reserve Bank of India (the "RBI") and other accounting principles generally accepted in India.

The financial statements were approved for issue by the Company's Board of Directors on 26-09-2024

Presentation of financial statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Schedule III vide their Notification G.S.R. 1022(E) dated 11 October 2018 for Non -Banking Financial Companies in Division III to the Act read with amendment to Schedule III made vide Notification G.S.R. (E) dated 24 March 2021 along with other relevant provisions of the Act, the Master- Direction- Reserve bank of India(Non-Banking Financial Company- Scale based regulation) Directions 2023 ('the NBFC Master Direction') and notification for implementation of Indian Accounting standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No 109/22.10.106/2019-20 dated 13th March 2020 and RBI/2020-21/15 DOR(NBFC).CC.PD.No 116/22.10.106/2020-21 dated 24th July 2020 (RBI Notification for implementation of IND AS') issued by RBI. The statement of cash flow has been presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note no. 43 of the Standalone financial statement



Basis of measurement

The financial statements have been prepared under the historical cost convention, except the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest lakhs up to two decimal places, unless otherwise indicated.

Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

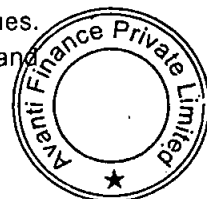
The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- i. Business model assessment refer para 3.3.2
- ii. Defined employee benefit assets and liabilities refer para 3.15.2
- iii. Fair Value Measurement: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and



volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- iv. Impairment of Loan portfolio refer para 3.6
- v. Effective Interest rate refer para 3.1
- vi. Other estimates: These include contingent liabilities, useful lives of tangible and intangible assets etc.

3. Significant accounting policies

3.1 Recognition of interest income

The Company computes Interest income by applying the effective interest rate to the gross carrying amount of a financial asset carried at Amortised cost or Fair value through OCI except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs.

Interest income on all financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate.

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

3.2 Recognition of income and expenses

Revenue (other than for financial instruments) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.



The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Fee income

Loan processing fee/document fees/stamp fees which are an integral part of financial assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through the assignment. Applications fee is recognized at the commencement of the contracts. Additional charges such as penal, dishonour, foreclosure charges, delayed payment charges etc. are recognized on a realization basis, while rate conversion charges are recognized upfront based on event occurrence.

Commission income

Commission income earned for the services rendered is recognized on an accrual basis.

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Other income

Other income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Company accepts FLDG from partners in accordance with RBI Guidelines and income from invocation of FLDG is accounted only when there is a certainty of collections.



3.3 Financial instruments

Recognition and initial measurement

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value on a trade date basis. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

Classification and subsequent measurement

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

Financial assets (other than equity)

The company subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

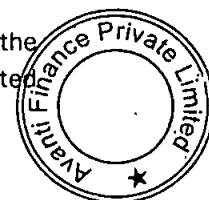
A financial asset is measured at amortized cost using the Effective Interest Rate (EIR) method if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

The Company subsequently measures all equity investments excluding investment in the subsidiary at fair value through profit or loss, unless the Company's management has elected



to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Company determines business model at a level that reflects its business operations & management of portfolio loans & not at instrument level. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

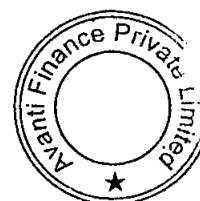
At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a Particulars period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.



Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.



Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Reclassification

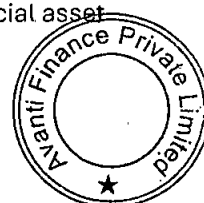
If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Amortised cost	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

De-recognition, modification and transfer

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.



A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Assignment transactions:

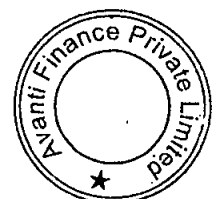
Transfer of loans through assignment transaction can be made only after continuing involvement in loans i.e retaining a minimum specific percentage of loan but without retaining any substantial risk and reward in the loan assigned. The assigned portion of loans is derecognised and gains/losses are accounted for, only if the company transfers substantially all risks and rewards specified in the underlying assigned loan contracts. Gain/loss arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding loan is derecognised from the Balance Sheet immediately. Further, if the transfer of loan qualifies for derecognition, entire interest spread at its present value (discounted over the life of the asset) is recognised on the date of derecognition itself as interest strip receivable (interest strip on assignment) and correspondingly presented as gain/loss on derecognition of financial asset. The Service fee received is accounted for based on the terms of the underlying deal structure of the transaction.

Securitisation transactions

In case of securitisation transactions, the Company retains substantially all the risks and rewards, of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between:

- I) the carrying amount (measured at the date of derecognition) and
 - II) the consideration received (including any new asset obtained less any new liability assumed)
- is recognised in profit or loss.



Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised as profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.4 Impairment and write off

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortized cost along with related undrawn commitments and loans sanctioned but not disbursed.

ECL is recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments. Equity instruments are not subjected to ECL.

For recognition of impairment loss on financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.



The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of a default occurring over the remaining life of the financial instrument.

Based on the above process, the company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

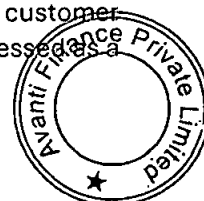
Stage 2: When a loan has shown an increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans shows significant increase in credit risk and/or are considered credit-impaired, the company records an allowance for the life time expected credit losses.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Key elements of ECL computation are outlined below:

- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.
- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.
- Loss given default ("LGD") estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").



The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 41

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognized during the period is accounted as income/ expense in the statement of profit and loss.

Undrawn loan commitments

When estimating LTECL's for undrawn loan commitments, the company estimates the expected portion of the loan commitment that will be draw down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is draw down based on the probability weighted of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. The ECLs related to the undrawn loan commitment are recognised within provisions.

Financial Guarantee contracts

The Company's Liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to the financial guarantee contracts are recognised within provisions.

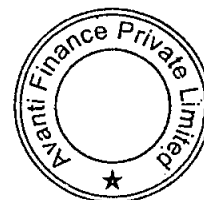
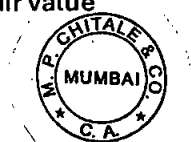
Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Impairment of Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The provision matrix is based on expected credit loss allowance financial assets

3.5 Determination of fair value



The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which enough data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

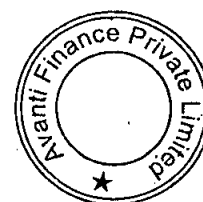
Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.6 Finance cost



Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

3.7 Other expenses

All Other expenses are recognized in the period they occur.

3.8 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Company's cash management.

3.9 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

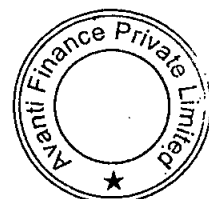
Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is charged based on a review by the management during the year and at the rates derived based on the useful lives of the assets as specified in Schedule II of the Companies Act, 2013 on Straight line method. All fixed assets costing individually up to Rs. 25,000 is fully depreciated by the company in the year of its capitalisation. The Company has considered useful life as per the useful life prescribed in Schedule II to the Companies Act, 2013.



Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.10 Intangible assets

The Company's intangible assets consist of software.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible asset comprising of software is amortised over a period of five years, being management's estimates of the useful life of such intangibles

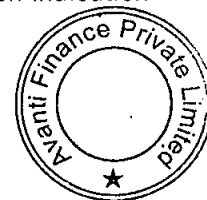
Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.11 Impairment of non-financial assets

The Company's assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication



exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only

if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Foreign currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non-monetary assets and liabilities such as

equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company before the end of the financial year which are unpaid. Trade and other payables are presented as financial liabilities. They are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

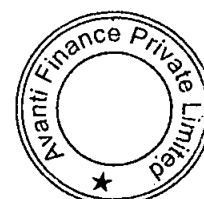
Employee Benefits

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

3.12 Post employment benefits

3.12.1 Defined contribution schemes



Contributions to the Employees Provident Fund Scheme maintained by the Central Government are accounted for on an accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme.

The company has no obligation, other than the contribution payable under the scheme. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

3.12.2 Defined Benefit schemes

Gratuity

The Company provides for gratuity covering eligible employees under which a lumpsum payment is paid to vested employees at retirement, death, incapacitation or termination of employment, of an amount reckoned on the respective employee's salary and his tenor of employment with the Company. The Company accounts for its liability for future gratuity benefits based on actuarial valuation determined at each Balance Sheet date by an Independent Actuary using Projected Unit Credit Method. The Company makes annual contribution to a Gratuity Fund administered by Life Insurance Company Limited and such other insurance company from time to time.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised as profit or loss in the period in which they arise.

Share Based payments



The fair value of options granted under Employee Stock Option Plan is recognized as Employee benefit expense with a corresponding increase in employee stock options outstanding reserve. The total amount to be recognized is determined by reference to the fair value of the options and is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium.

3.13 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for;
- b) Other non-cancellable commitments, if any

3.17 Taxes

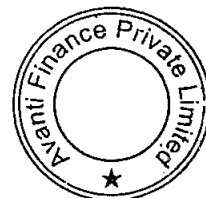
Income tax expense represents the sum of current tax and deferred tax.

3.17.1 Current Tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in



correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.17.2 Deferred tax

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

3.17.3 Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

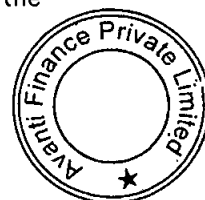
- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Contingent Liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not have any contingent assets in the financial statements.



3.19 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

3.20 Dividend on equity shares

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognized directly in equity.

3.21 Leases

As a lessee

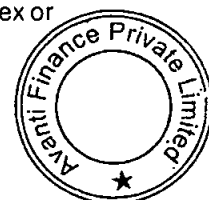
The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;



- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

3.22 Cash flow statement

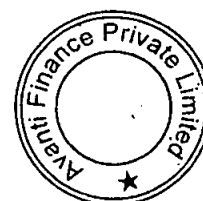
Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

3.23 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.24 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



Avanti Finance Private Limited
Notes forming part of standalone financial statements

4. EXPLANATION OF TRANSITION TO IND AS

The Standalone Financial Statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act. In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2023. Previous year figures have been restated to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of financial statements under IGAAP to Ind AS of Shareholders' equity as at March 31, 2023 and April 1, 2022 and of the comprehensive net income for the period ended March 31, 2023.

Exemptions from retrospective application:

a) Depreciation on Fixed Assets

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2022.

b) Investments in subsidiaries

The Company has elected to adopt the carrying value under IGAAP as on the date of transition i.e. April 1, 2022 in its separate financial statements.

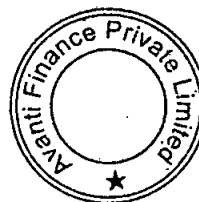
5. Reconciliations between IGAAP and Ind AS

i. Statement of reconciliation of equity

(Rs. In lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Equity as reported under IGAAP (belonging to Owner)	24,986.51	15,288.74
a) Reclassification of CCDS into Borrowings	2,500.00	2,500.00
b) Impairment allowance on financial instruments measured at amortised cost	(2,054.90)	(3,150.98)
c) Impact of EIR method on financial instruments measured at amortised cost	122.56	216.87
d) Impact of Depreciation on Right of use of Assets	(33.96)	(0.19)
e) Impact of interest on Lease Liability and rent reversals	28.46	0.16
f) Impact of Interest on security deposit	2.06	0.01
g) share application money pending for allotment	3,279.99	-
Equity as reported under Ind AS (belonging to Owner)	28,830.73	14,854.60

ii. Statement of reconciliation of Total Comprehensive income

(Rs. In lakhs)	
Particulars	As at March 31, 2023
Net profit attributable to Group as reported under IGAAP	(6,093.74)
a) Impairment allowance on financial instruments measured at amortised cost	1,096.08
b) Impact of EIR method on financial instruments measured at amortised cost	(94.30)
c) Liability for cash settled and equity settled ESOP's	81.34
d) Impact of Depreciation on Right of use of Assets	(33.77)
e) Impact of interest on Lease Liability and rent reversals	28.31
f) Impact of Interest on security deposit	2.05
Net Profit as reported under Ind AS	(5,014.03)

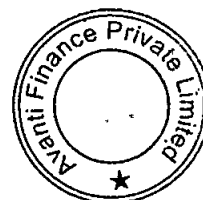


Avanti Finance Private Limited
Notes forming part of standalone financial statements

iv. Reconciliation of Balance Sheet as at March 31, 2023

(Rs. In lakhs)

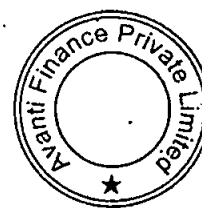
I ASSETS		As per IGAAP	Reclassification	Remeasurement	As per IND AS
1 Financial Assets		As at March 31, 2023			
a	Cash and Cash equivalents	20,648.97	(2.40)	-	20,646.57
b	Bank balance other than (a) above	-	11.23	-	11.23
c	Receivables	-	-	-	-
	Trade receivable	-	-	-	-
	Other receivable	-	-	-	-
d	Loans (receivable under financing activity)	59,531.64	(3,414.85)	(2,308.24)	53,808.55
e	Investments	4,351.88	-	-	4,351.88
f	Other financial assets	619.04	(588.95)	(5.61)	24.48
	Total	85,805.14	(3,250.64)	(2,236.54)	80,317.97
2 Non-financial assets		-	-	-	-
a	Property, Plant and Equipment	32.82	-	-	32.82
b	Right-of-use assets	-	-	69.60	69.60
c	Intangible assets	601.39	-	-	601.39
d	Other non financial assets	19.40	744.33	7.71	771.44
	Total	85,805.14	(3,250.64)	(2,236.54)	80,317.97
II Liabilities and Equities					
Liabilities					
1 Financial Liabilities					
a	Payables	-	-	-	-
	Trade payables	-	-	-	-
	Total outstanding due to Micro and Small Enterprises	-	-	-	-
	Total outstanding of other than Micro and Small Enterprises	137.74	-	-	137.74
	Other payables	-	-	-	-
b	Debt Securities	18,800.00	(2,332.34)	(176.16)	16,291.51
c	Borrowing (other than debt securities)	32,431.64	484.93	(193.05)	32,723.51
d	Other financial liabilities	448.84	(281.78)	69.30	236.35
	Total	85,805.14	(3,250.64)	(2,236.54)	80,317.97
2 Non-financial Liabilities		-	-	-	-
a	Current tax liabilities (net)	-	-	-	-
b	Provisions	4,717.18	(3,623.31)	1.01	1,094.88
c	Other Non-financial liabilities	1,003.25	-	-	1,003.25
	Total	85,805.14	(3,250.64)	(2,236.54)	80,317.97
EQUITY		-	-	-	-
a	Equity share capital	35,667.44	(20,584.22)	-	15,083.22
b	Instruments entirely Equity in nature	-	23,084.22	-	23,084.22
c	Other Equity	(10,680.93)	3,279.99	(1,935.77)	(9,336.71)
d	Share / Debenture Application Money pending Allotment	3,279.99	(3,279.99)	-	-
	Total	85,805.15	(3,252.51)	(2,234.67)	80,317.97



v. Reconciliation of Balance Sheet as at April 01, 2022

(Rs. In lakhs)

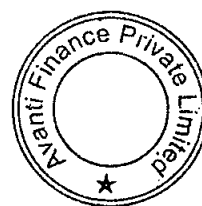
I ASSETS		As per IGAAP	Reclassification	Remeasurement	AS per IND AS
1 Financial Assets			As at April 1, 2022		
a	Cash and Cash equivalents	2,319.50	1.76	-	2,321.27
b	Bank balance other than (a) above	49.65	-	-	49.65
c	Receivables	-	-	-	-
	Trade receivable	-	-	-	-
	Other receivable	-	-	-	-
d	Loans (receivable under financing activity)	39,413.91	(1,138.36)	(3,302.89)	34,972.65
e	Investments	3,951.61	-	-	3,951.61
f	Other financial assets	99.67	(69.94)	(0.65)	29.09
		-	-	-	-
2 Non-financial assets		-	-	-	-
a	Property, Plant and Equipment	50.72	-	-	50.72
b	Right-of-use assets	-	-	5.45	5.45
c	Intangible assets	-	-	-	-
d	Other non financial assets	9.88	876.36	4.85	891.09
	Total	45,894.95	(330.18)	(3,293.24)	42,271.53
II Liabilities and Equities					
1 Financial Liabilities					
a	Derivative financial liabilities				-
b	Payables				-
	Trade payables				-
	Total outstanding due to Micro and Small Enterprises				-
	Total outstanding of other than Micro and Small Enterprises	24.93	-	-	24.93
	Other payables	-	-	-	-
c	Debt Securities	17,500.00	(2,379.08)	(316.58)	14,804.34
d	Borrowing (other than debt securities)	11,006.13	32.55	(47.34)	10,991.34
e	Other financial liabilities	533.76	(153.47)	4.83	385.12
		-	-	-	-
2 Non-financial Liabilities		-	-	-	-
a	Current tax liabilities (net)	-	-	-	-
b	Provisions	1,035.81	(330.18)	-	705.64
c	Other Non-financial liabilities	505.57	-	-	505.57
		-	-	-	-
EQUITY					
a	Equity share capital	28,003.22	(13,100.00)	-	14,903.22
b	Instruments entirely Equity in nature	-	15,600.00	-	15,600.00
c	Other Equity	(12,714.48)	-	(2,934.14)	(15,648.62)
	Total	45,894.95	(330.18)	(3,293.24)	42,271.53



Avanti Finance Private Limited
Notes forming part of standalone financial statements

vi. Statement of reconciliation of Profit and Loss for the year ended March 31, 2023

		(Rs. In Lakhs)			
	Particulars	As per IGAAP	Reclassification	Remeasurement	As per IND AS
	Revenue from operations				
(i)	Interest income	10,034.37	542.02	(100.40)	10,476.00
(ii)	Fees and Commission	1,065.20	(1,018.97)	-	46.23
(iii)	Ancillary income	-	-	-	-
(iii)	Net gain on fair value changes on investments	-	42.19	-	42.19
(iv)	Net gain on derecognition of financial instruments	-	-	-	-
(I)	Total Revenue from operations	11,099.57	-	-	10,564.41
(II)	Other Income	214.05	87.77	-	301.82
(III)	Total Income (I + II)	11,313.63	-	-	10,866.24
	Expenses				
(i)	Finance cost	4,305.10	(213.09)	247.89	4,339.90
(ii)	Fee and commission expenses	3,422.63	(330.95)	-	3,091.67
(iii)	Net loss on fair value changes	-	-	-	-
(iv)	Net loss of derecognition of financial instruments under amortised cost category	-	-	-	-
(iii)	Impairment of financial instruments	4,007.30	(28.76)	(1,096.08)	2,882.47
(iv)	Employee benefit expenses	2,854.78	-	(90.61)	2,764.17
(v)	Depreciation, amortization and impairment	77.09	-	33.77	110.85
(vi)	Hosting and Licensing Fee	1,241.50	-	-	1,241.50
(vii)	Other expenses	1,498.96	(21.26)	(37.27)	1,440.43
(IV)	Total Expenses	17,407.36	-	-	15,871.00
(V)	Profit/(loss) before tax (III - IV)	(6,093.74)	-	-	(5,004.76)
(VI)	Exceptional items	-	-	-	-
(VII)	Profit/(loss) before tax (V- VI)	(6,093.74)	-	-	(5,004.76)
(VIII)	Tax Expense:				
(i)	Current tax	-	-	-	-
(IX)	Profit/(loss) for the period	(6,093.74)	-	-	(5,004.76)
	Other Comprehensive Income				
A)	Items that will not be classified to profit or loss				
(i)	Remeasurement gain/ (loss) of defined benefit plans	-	-	(9.26)	(9.26)
(ii)	Tax impact thereon	-	-	-	-
	Subtotal (A)	-	-	(9.26)	(9.26)
B)	Items that will be classified to profit or loss				
(i)	Fair value gain/ (loss) on debt instruments measured at FVOCI	-	-	-	-
(ii)	Tax impact thereon	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other Comprehensive Income (A + B)	-	-	(9.26)	(9.26)
	Total Comprehensive Income for the period (VII + VIII)	(6,093.74)	-	-	(5,014.03)



Avanti Finance Private Limited

Notes forming part of standalone financial statements

vii. EXPLANATION OF TRANSITION TO IND AS

Note: Explanation to IND AS adjustments:

a. Reclassification of Compulsorily Convertible Debentures into Instruments entirely Equity in nature

Under IGAAP the CCDs formed part of borrowings. Due to reclassification under IND AS CCDs has been classified under Instruments entirely Equity in nature which has resulted in increase of Equity share capital by INR 2500.00 Lakhs as on March 31, 2023 and April 01, 2022 and corresponding decrease in borrowing.

b. Impairment allowance on Financial Instruments at Amortised cost

As per Ind AS 109, the Group is required to apply Expected Credit Loss (ECL) model for stage 1 assets (DPD less than or equal to 29 days), stage 2 assets (DPD equal to 30 days and less than 89 days) and stage 3 assets (DPD equal to 90 days or more) based on assessment of level of credit risk and recognise the impairment allowance on loans. Consequent to the above, the impairment allowance increased by INR 2054.90 lakh as at March 31, 2023 (April 01, 2022 INR 3150.98 lakh). Consequently, the total equity as at March 31, 2023 decreased by INR 2054.90 lakh (April 01, 2022 INR 3150.98 lakh) and profit for the year ended March 31, 2023 decreased by INR 1096.08 lakh.

c. Interest as per effective interest rate on financial assets and Liabilities measured at amortised cost:

1. Loans and Advance

Under IGAAP, processing fees, platform fee income and direct sourcing cost were accounted upfront. Under Ind AS, such income and expenses are required to be amortised over the behavioural tenure. The unamortised processing fees and platform fee are recorded as a liability and correspondingly equity is decreased. The unamortised direct sourcing agency cost is decreased and accordingly, the equity is reduced.

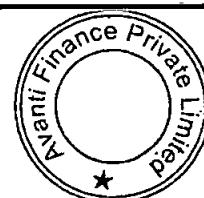
2. Security Deposit

Under IGAAP, interest free security deposits given to landlords for premises rented, was recorded as an asset, while rent was booked as an expense as per the rental agreement. Under Ind AS, interest free security deposit is required to be discounted based on the internal cost of borrowings. The difference between the discounted present value of the security deposit and the actual security deposit given to the landlords is required to be recorded as Right of use of assets. This Right of use of assets is amortised on a straight-line basis over life of the security deposit in line with Ind AS 17. The interest income representing the differential between the security deposit given and the present value of the security deposit given is recorded in such a manner that the difference between rental expense and interest income nullifies itself at the end of tenure of the security deposit, as per Ind AS 109.

3. Financial liabilities

Under IGAAP, processing fees and direct borrowing cost were accounted upfront. Under Ind AS, such expenses are required to be amortised over the behavioural tenure. The unamortised processing fees and other borrowing cost are recorded as an asset and correspondingly equity is increase.

The total equity as at March 31, 2023 Increased by INR 124.62 lakh (April 01, 2022 INR 216.87 lakh) and interest income in the Statement of Profit and Loss for the year ended March 31, 2023 decreased by INR 92.25 lakh.



Avanti Finance Private Limited**Notes forming part of standalone financial statements****6: Cash and cash equivalents****(Rs. In Lakhs)**

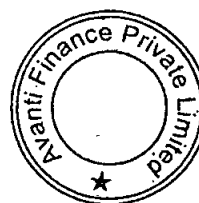
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Cash on hand	20.70	-	-
Balances with Banks			
- in current accounts	5,534.78	19,372.00	676.27
- Bank deposit with maturity of less than 3 months	15,082.16	1,274.57	1,645.00
Total	20,637.64	20,646.57	2,321.27

Note: Deposit Accounts includes lien marked FD for PTC transaction of INR 59.32 Lakhs for FY 22-23

7: Bank balance other than cash and cash equivalents**(Rs. In Lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Deposit with original maturity for more than three months but less than twelve months	3,305.39	-	49.65
Other Bank Balances	312.76	11.23	-
Total	3,618.15	11.23	49.65

Note: Deposit Accounts includes Lien marked FD for colending arrangements of INR 1,713.58 Lakhs for FY 23-24.



Avanti Finance Private Limited
Notes forming part of standalone financial statements

8: Trade Receivables

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
(i) Trade receivables			
Receivable considered good - Unsecured	277.75	-	-
Total	277.75	-	-
Provision for impairment for:			
Receivable considered good - Unsecured	(2.60)	-	-
Total Net receivable	275.15	-	-

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a

Trade Receivables aging schedule as on 31 March 2024

(Rs. In Lakhs)

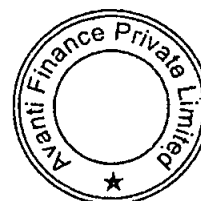
Particulars	Unbilled Dues	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	277.75	-	-	-	-	277.75
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-



Avanti Finance Private Limited**Notes forming part of standalone financial statements****9: Loans****(Rs. In Lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
At Amortised Cost			
(A)			
i) Term loans	95,309.22	59,485.76	38,453.82
ii) Working Capital Loans	1,431.90	-	-
Total (A) - Gross	96,741.12	59,485.76	38,453.82
Less : Impairment loss allowance	(3,781.69)	(5,677.21)	(3,481.16)
Total (A) - Net	92,959.43	53,808.55	34,972.65
(B)			
I) Secured by Fixed Deposit/ Cash	3,478.40	2,964.47	2,425.81
II) Unsecured	93,262.72	56,521.29	36,028.01
Total (III) - Gross	96,741.12	59,485.76	38,453.82
Less : Impairment loss allowance	(3,781.69)	(5,677.21)	(3,481.16)
Total (III) - Net	92,959.43	53,808.55	34,972.65
Total (I+II+III) - Net	92,959.43	53,808.55	34,972.65
(C)			
i) Public Sector		-	-
ii) Others	96,741.12	59,485.76	38,453.82
Total (C) - Gross	96,741.12	59,485.76	38,453.82
Less: Impairment Loss Allowance (C)	(3,781.69)	(5,677.21)	(3,481.16)
Total (C) - Net	92,959.43	53,808.55	34,972.65

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.

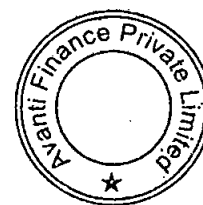


Avanti Finance Private Limited
Notes forming part of standalone financial statements

10. Investments

(Rs. In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Measured at fair value through profit and loss			
Mutual funds	-	400.27	-
Measured at cost			
Unquoted: Investment in Equity shares of subsidiary	3,951.61	3,951.61	3,951.61
Total	3,951.61	4,351.88	3,951.61
Investments within India	3,951.61	4,351.88	3,951.61
Investments Outside India	-	-	-



Avanti Finance Private Limited**Notes forming part of standalone financial statements****11: Other financial assets****(Rs. in lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Security deposits	20.82	24.48	29.09
Interest strip asset on assignment	891.47	-	-
Other receivable	401.14		
Total	1,313.43	24.48	29.09

13: Right of use of assets**(Rs. in lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Opening carrying value	69.60	5.45	-
Addition during the year	162.92	97.92	5.64
Termination during the year	48.55	-	-
Depreciation for the year	44.43	33.77	0.19
Closing Carrying value	139.54	69.60	5.45

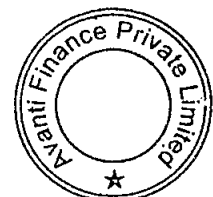
14: Intangible Assets**(Rs. in lakhs)**

Particulars	Amount
Cost:	
At April 1, 2022	-
Gross book value At 1st April 2022	-
Additions	649.43
Disposals	-
At March 31, 2023	649.43
Additions	1,298.87
Disposals	-
At March 31, 2024	1,948.30
Accumulated amortisation	
At April 1, 2022	-
Amortisation charge for the year ended March 31, 2023	48.04
At March 31, 2023	48.04
Disposals	-
Amortisation charge for the year ended March 31, 2024	403.47
At March 31, 2024	451.51
Net book value:	
At 31 March 2022	-
At March 31, 2023	601.39
At March 31, 2024	1,496.79

Note: As per management assessment there are no probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

15: Other Non-financial assets**(Rs. in lakhs)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Advance tax	230.99	52.86	25.59
Balance receivable from Govt.	896.66	616.15	341.71
Prepaid expenses	49.87	49.91	22.12
Capital Advances	2,145.00		
Advance to Supplier	66.61	33.11	491.78
Other Receivables	-	19.40	9.88
Total	3,389.12	771.44	891.09



Avanti Finance Private Limited**Notes forming part of standalone financial statements****12: Property, plant and equipment****(Rs. in Lakhs)**

Particulars	Office equipment	Electronic equipment	Computers	Furniture & Fixtures	Server and Network equipment	Total
Cost:						
At April 1, 2022	1.78	(0.00)	42.13	2.66	4.15	50.72
Gross book value At 1st April 2022	1.78	(0.00)	42.13	2.66	4.15	50.72
Additions	2.39	7.63	-	1.13		11.15
Disposals						-
At March 31, 2023	4.17	7.63	42.13	3.79	4.15	61.87
Additions	2.98	49.01	29.26	2.50	-	83.75
Disposals		(0.46)				
At March 31, 2024	7.15	56.18	71.39	6.29	4.15	145.62
Accumulated depreciation						
Disposals	-	-	-	-	-	-
Depreciation charge for the year	0.70	7.63	18.17	1.46	1.08	29.05
At March 31, 2023	0.70	7.63	18.17	1.46	1.08	29.05
Disposals	-	(0.46)	-	-	-	(0.46)
Depreciation charge for the year	1.42	49.01	24.30	2.83	1.09	78.65
At March 31, 2024	2.12	56.18	42.47	4.30	2.17	107.24
Net book value:						
At 1 April 2022	1.78	(0.00)	42.13	2.66	4.15	50.72
At March 31, 2023	3.47	(0.00)	23.96	2.33	3.07	32.82
At March 31, 2024	5.03	(0.00)	28.91	2.00	1.98	37.92

Note: There is no Capital work in progress as at March 31, 2024 (Nil for March 31, 2023 and April 01, 2022)



Avanti Finance Private Limited
Notes forming part of standalone financial statements

16. Trade payables

(Rs. In Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 01 April 2022
Dues to micro enterprises and small enterprises (refer note 47 for dues to Micro, Small and Medium enterprise)	89.26	-	-
Dues to creditors other than micro	182.24	137.74	24.93
Total	271.50	137.74	24.93

(A) Trade Payable Ageing schedule as on 31 March 2024

(Rs. In Lakhs)

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		89.26				89.26
(ii) Others		181.51	0.12	0.31	0.31	182.24
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(B) Trade Payable Ageing schedule as on 31 March 2023

(Rs. In Lakhs)

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		132.65	4.78	0.31		137.74
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

(C) Trade Payable Ageing schedule as on 01 April 2022

(Rs. In Lakhs)

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	-	-	-	-	-	-



Avanti Finance Private Limited
Notes forming part of standalone financial statements

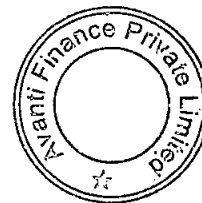
Note: 17. Debt Securities

Particulars	(Rs. in Lakhs)		
	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
At amortised cost			
Bonds/ Debentures			
Secured Non-Convertible Debentures			
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,525.15		
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	1,703.58		
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,473.23		
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	4,937.83		
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	10,201.65		
12% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,553.07	9,997.59	8,514.47
12.75% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,997.98	2,993.92	2,989.87
	-		
Unsecured Non-Convertible Debentures -Unlisted			
5% Unsecured, Redeemable, Non-Convertible Debentures	1,800.00	3,300.00	3,300.00
Total (A)	34,192.49	16,291.51	14,804.34
Debt securities in India	32,392.49	12,991.51	11,504.34
Debt securities outside India	1,800.00	3,300.00	3,300.00

Note: All secured NCDs issued by the Company are secured by exclusive charge on the Company's receivables.

Details of Redeemable Non-Convertible Debentures

Particulars	Principal Outstanding balance as on year end			Date of redemption	Nominal value per debenture	Total number of debentures
	As at March 31, 2024 (Rs. In Lakhs)	As at March 31, 2023 (Rs. In Lakhs)	As at April 1, 2022 (Rs. In Lakhs)			
Non-Convertible Debentures						
12.75% Secured, Redeemable, Unlisted, Non-Convertible Debentures	3,000.00	3,000.00	3,000.00	30-09-2024	10,00,000	300,00
5% Unsecured, Redeemable, Non-Convertible Debentures	1,800.00	3,300.00	3,300.00	03-11-2024	1,00,000	1,800,00
12% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,500.00	10,000.00	8,700.00	04-02-2025	1,00,000	7,500,00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,500.00	-	-	26-04-2025	10,00,000	250,00
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	1,714.29	-	-	17-05-2025	1,00,000	2,400,00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	5,000.00	-	-	18-08-2025	10,00,000	500,00
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,571.43	-	-	29-08-2025	1,00,000	3,000,00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,900.00	-	-	05-12-2025	1,00,000	2,900,00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,500.00	-	-	05-12-2025	1,00,000	7,500,00
Total	34,485.71	16,300.00	15,000.00			26,150,00



Avanti Finance Private Limited
Notes forming part of standalone financial statements

Maturity pattern of Debt securities As at March 31, 2024

(Rs. in Lakhs)

Type of Loan	Debt securities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	TOTAL
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	-	-	-	-	-
Quarterly repayment schedule	8%-10%	1,714.29	857.14	-	-	2,571.43
	10%-12%	1,371.43	342.85	-	-	1,714.28
	12%-15%	-	-	-	-	-
At the end of tenure / On demand	5%-10%	1,800.00	-	-	-	1,800.00
	10%-12%	-	17,900.00	-	-	17,900.00
	12%-15%	10,500.00	-	-	-	10,500.00
Total		15,385.72	19,099.99	-	-	34,485.71

Maturity pattern of Debt securities As at March 31, 2023

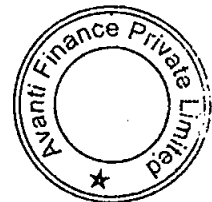
(Rs. in Lakhs)

Type of Loan	Debt securities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
At the end of tenure / On demand	5%-10%	1,500.00	1,800.00	-	-	3,300.00
	10%-12%	-	-	-	-	-
	12%-15%	2,500.00	10,500.00	-	-	13,000.00
Total		4,000.00	12,300.00	-	-	16,300.00

Maturity pattern of Debt securities As at April 01, 2022

(Rs. in Lakhs)

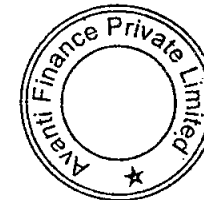
Type of Loan	Debt securities	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
At the end of tenure / On demand	5%-10%	-	-	3,300.00	-	3,300.00
	10%-12%	-	-	-	-	-
	12%-15%	-	2,500.00	9,200.00	-	11,700.00
Total		-	2,500.00	12,500.00	-	15,000.00



Avanti Finance Private Limited
Notes forming part of standalone financial statements

Note 18 Borrowings (other than debt securities)		(Rs. in Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
At amortised cost			
(a) Term loan #			
(i) from banks	20,148.72	8,862.20	2,538.06
(ii) from Financial Institution	40,899.81	23,488.64	8,453.28
(iii) Securitisation	-	372.67	-
Total (A)	61,048.53	32,723.51	10,991.34
Borrowings in India	61,048.53	32,723.51	10,991.34
Borrowings outside India	-	-	-
Total (B)	61,048.53	32,723.51	10,991.34

Note: Term Loans availed by the Company are secured by exclusive charge on the Company's receivables.



Avanti Finance Private Limited
Notes forming part of standalone financial statements

Maturity pattern of term loan from Bank As at March 31, 2024 (Rs. in Lakhs)

Type of Loan	Term Loan - Bank	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	TOTAL
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	6,000.00	3,916.67	-	-	9,916.67
	12%-15%	6,638.76	2,452.84	832.70	-	9,924.30
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	375.00	-	-	-	375.00
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	-	-	-	-	-
Total		13,013.76	6,369.51	832.70		20,215.97

Maturity pattern of term loan from Financial Institution As at March 31, 2024 (Rs. in Lakhs)

Type of Loan	Term Loan - NBFC	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	TOTAL
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	6,689.75	5,496.94	1,743.98	-	13,930.68
	12%-15%	10,237.86	5,162.86	709.89	-	16,110.62
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	6,400.00	4,275.00	200.00	-	10,875.00
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	-	-	-	-	-
Total		23,327.62	14,934.80	2,653.88		40,916.30

Maturity pattern of term loan from Bank As at March 31, 2023 (Rs. in Lakhs)

Type of Loan	Term Loan - Bank	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	500.00	366.67	-	-	866.67
	12%-15%	3,189.96	2,559.52	-	-	5,749.49
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	900.00	375.00	-	-	1,275.00
	12%-15%	-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	1,000.00	-	-	-	1,000.00
	12%-15%	-	-	-	-	-
Total		5,589.96	3,301.19			8,891.15

Maturity pattern of term loan from Financial Institution As at March 31, 2023 (Rs. in Lakhs)

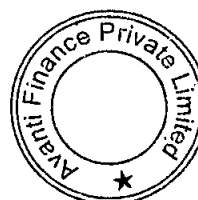
Type of Loan	Term Loan - NBFC	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	3,844.02	3,716.85	1,441.39	69.90	9,072.16
	12%-15%	7,481.77	4,456.11	652.60	-	12,590.48
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	2,000.00	250.00	-	-	2,250.00
Total		12,953.63	8,422.96	2,094.00	69.90	23,912.64

Maturity pattern of term loan from Bank April 01, 2022 (Rs. in Lakhs)

Type of Loan	Term Loan - Bank	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	1,150.00	400.00	-	-	1,550.00
	12%-15%	-	-	-	-	-
At the end of tenure / On demand	8%-10%	-	-	-	-	-
	10%-12%	-	1,000.00	-	-	1,000.00
	12%-15%	-	-	-	-	-
Total		1,150.00	1,400.00			2,550.00

Maturity pattern of term loan from Financial Institution April 01, 2022 (Rs. in Lakhs)

Type of Loan	Term Loan - NBFC	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	Due 3 to 4 years	Total
Original Maturity of loan	Coupon rate	Amount	Amount	Amount	Amount	
Monthly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	2,093.85	3,038.93	1,303.34	-	6,436.13
Quarterly repayment schedule	8%-10%	-	-	-	-	-
	10%-12%	-	-	-	-	-
	12%-15%	1,000.00	1,000.00	-	-	2,000.00
Total		3,100.34	4,045.19	1,301.76		8,447.29



Avanti Finance Private Limited
Notes forming part of standalone financial statements

19: Other Financial liabilities (Rs. in Lakhs)

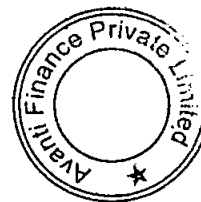
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Interest accrued but not due on CCDs	-	0.86	0.96
Preference dividend	0.56	0.34	-
Payable towards assignment/colending	674.50	77.85	186.68
Lease liabilities	136.62	69.30	4.83
Security deposit from partners	99.78	88.00	192.66
Total	911.46	236.35	385.12

20: Provisions (Rs. in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Provision for employee benefits			
- Gratuity	30.56	106.54	70.94
- Others	1,514.59	987.33	634.69
Loss allowance for Financial Gurantee Liabilities and	64.20	1.01	-
Total	1,609.36	1,094.88	705.64

21: Other Non-financial liabilities (Rs. in Lakhs)

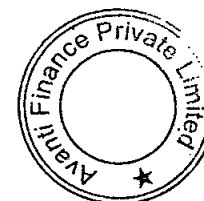
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Statutory dues payable	132.37	220.18	177.04
Expense Accrual	1,210.14	662.26	178.02
Advance received from Partners	-	120.30	150.00
Others	2.66	0.51	0.51
Total	1,345.17	1,003.25	505.57



Avanti Finance Private Limited
Notes forming part of standalone financial statements

22: Equity

Particulars	(Rs. in Lakhs)		
	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Authorised:			
15,75,00,000 Equity Shares of Rs. 10/- each (Previous year 15,75,00,000 Equity Shares of Rs. 10/- each)	15,750.00	15,750.00	15,750.00
11,50,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year 11,50,00,000 of Series A Preference Shares of Rs. 10/- each)	11,500.00	11,500.00	11,500.00
1,90,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. 1,90,00,000 Series A1 Preference Shares of Rs. 10/- each)	1,900.00	1,900.00	1,900.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. NIL Series A1 Preference Shares of Rs. 10/- each)	3,200.00	3,200.00	-
5,72,00,000 Series B Compulsorily Convertible Preference Shares of Rs. 10/- each (Previous year Rs. NIL Series A1 Preference Shares of Rs. 10/- each)	5,720.00	5,720.00	-
	-	-	-
Issued, subscribed and fully paid up	-	-	-
Equity Share Capital	-	-	-
15,09,07,193 Equity Shares of Rs. 10/- each fully paid-up (Previous year 15,08,32,193 Equity Shares of Rs. 10/- each fully paid-up)	15,090.72	15,083.22	14,903.22
Instruments entirely Equity in nature			
11,24,00,000 Series A Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 11,24,00,000 Series A Preference Shares of Rs. 10/- each)	11,240.00	11,240.00	11,240.00
1,86,00,000 Series A1 Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 1,86,00,000 Series A Preference Shares of Rs. 10/- each)	1,860.00	1,860.00	1,860.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 3,20,00,000 Bridge Compulsorily Preference Shares of Rs. 10/- each)	3,200.00	3,200.00	-
5,71,22,955 Series B Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up (Previous year 4,28,42,216 Series B Preference Shares of Rs. 10/- each)	5,712.30	4,284.22	-
2,50,00,000 Compulsorily Convertible Debentures of Rs. 10/- each fully paid up (Previous year 2,50,00,000 Compulsorily Convertible Debentures of Rs. 10/- each)	2,500.00	2,500.00	2,500.00
Total Equity	39,603.01	38,167.44	30,503.22



(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Outstanding at the beginning of the year	15,08,32,193	1,50,83,21,930	14,90,32,193	1,49,03,21,930	13,45,16,086	1,34,51,60,860
Issued during the year	75,000	7,50,000	18,00,000	1,80,00,000	1,45,16,107	14,51,61,070
Outstanding at the end of the year	15,09,07,193	1,50,90,71,930	15,08,32,193	1,50,83,21,930	14,90,32,193	1,49,03,21,930
Instruments entirely Equity in nature						
Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Outstanding at the beginning of the year	23,08,42,216	2,30,84,22,160	15,60,00,000	1,56,00,00,000	-	-
Issued during the year (Series A)	-	-	-	-	11,24,00,000	1,12,40,00,000
Issued during the year	-	-	-	-	2,50,00,000	25,00,00,000
Issued during the year (Series A1)	-	-	-	-	1,86,00,000	18,60,00,000
Issued during the year (Bridge)	-	-	3,20,00,000	32,00,00,000	-	-
Issued during the year (Series B)	1,42,80,739	14,28,07,390	4,28,42,216	42,84,22,160	-	-
Outstanding at the end of the year	24,51,22,955	2,45,12,29,550	23,08,42,216	2,30,84,22,160	15,60,00,000	1,56,00,00,000
Equivalent number of Equity Shares						
	March 31, 2024	March 31, 2023	April 01, 2022			
Series A Compulsorily Convertible Preference Shares	5,68,41,950	5,68,41,950	5,68,41,950			
Series A1 Compulsorily Convertible Preference Shares	90,64,328	90,64,328	90,64,328			
Series Bridge Compulsorily Convertible Preference Shares	1,23,07,693	1,23,07,693	-			
Series B Compulsorily Convertible Preference Shares	5,71,22,955	4,28,42,216	-			
Compulsorily Convertible Debentures	1,25,77,534	1,25,77,534	1,25,77,534			

(b) 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.

Each holder of Bridge CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Bridge CCPS held by such holder of Bridge CCPS, pari passu to holders of Series A CCPS, Series A1 CCPS and Series B CCPS, and in preference and priority to the payment of any dividend in respect of all Equity Shares.

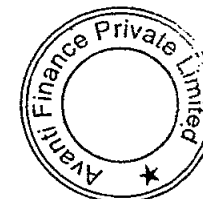
Each holder of Series B CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Series B CCPS held by such holder of Series B CCPS, pari passu to holders of Series A CCPS, Series A1 CCPS and Bridge CCPS, and in preference and priority to the payment of any dividend in respect of all Equity Shares.

Each Bridge CCPS shall carry voting rights equivalent to the number of Equity Shares to be issued upon conversion of such Bridge CCPS in accordance with the Agreement, as if such conversion has been completed, subject to any adjustments to the Conversion Price as applicable to Bridge CCPS as per agreement.

Each Series B CCPS shall be convertible into 1 (one) Equity Share of the Company at the option of the holders of Series B CCPS, subject to adjustments on a proportionate basis for stock splits, consolidations, stock dividends, bonus shares, recapitalizations and other similar occurrences. Each Series B CCPS shall automatically convert into Equity Shares of the Company in accordance with the conversion ratio ,1 (one) day prior to expiry of 20 (twenty) years from the Closing Date.

Compulsorily Convertible Debentures:

(i) The qualifying event of CCDs has been achieved. Since option of the conversion of the CCDs to equity has not been exercised by the Debenture holders, conversion to equity has not taken place.



(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, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ratan N. Tata	1,68,70,859	11.18%	1,68,70,859	11.19%	1,68,70,859	11.19%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	87.00%	13,12,86,747	87.04%	13,12,86,747	87.04%

Compulsorily Convertible Preference shares Series A

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Oikocredit Ecumenical Development Cooperative Society U.A.	4,30,00,000	38.26%	4,30,00,000	38.26%	4,30,00,000	38.26%
Wao Partners LLP	1,50,00,000	13.34%	1,50,00,000	13.34%	1,50,00,000	13.34%
Bill & Melinda Gates Foundation	5,44,00,000	48.40%	5,44,00,000	48.40%	5,44,00,000	48.40%

Compulsorily Convertible Preference shares Series A1

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bill & Melinda Gates Foundation	1,86,00,000	100.00%	1,86,00,000	100.00%	1,86,00,000	100.00%

Compulsorily Convertible Preference shares Bridge

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	1,60,00,000	50.00%	1,60,00,000	50.00%	-	0.00%
Oikocredit Ecumenical Development Cooperative Society U.A.	1,60,00,000	50.00%	1,60,00,000	50.00%	-	0.00%

Compulsorily Convertible Preference shares Series B

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Oikocredit Ecumenical Development Cooperative Society U.A.	28,56,148	5.00%	-	-
IDH Farmfit Fund B.V.	1,14,24,591	20.00%	-	-
Rabo Partnerships B.V.	4,28,42,216	75.00%	4,28,42,216	100.00%

(f) Shares held by promoter

Details of equity Shares held by promoters as at March 31, 2024

Promoter name	No of shares	% of total shares	% Change during the year 2023-24
Mr. Ratan N. Tata	1,68,70,859	11.18%	-0.05%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	87.00%	-0.05%

Details of equity Shares held by promoters as at March 31, 2023

Promoter name	No of shares	% of total shares	% Change during the year 2022-23
Mr. Ratan N. Tata	1,68,70,859	11.19%	0%
NRJN Family Trust (through its trustee Entrust Family Office Legal & Trusteeship Services Pvt Ltd.)	13,12,86,747	87.04%	0%

Note 23: Other Equity



	(Rs. in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Balance in Statement of Profit and Loss			
Opening balance	(20,690.92)	(15,685.81)	(9,800.45)
Add: Loss for the year	(1,383.66)	(5,004.77)	(2,914.03)
Less: Preference dividend	(0.22)	(0.34)	-
IND AS opening adjustment	-	-	(2,971.34)
Closing Balance	(22,074.80)	(20,690.92)	(15,685.81)
Items of Other Comprehensive Income			
Gratuity adjustment	(13.46)	(4.20)	-
Closing Balance	(14.72)	(13.46)	(4.20)
ESOP Reserve			
Opening balance	71.89	41.39	-
Addition during the year	167.19	30.50	41.39
Closing Balance	239.08	71.89	41.39
Share application money pending for allotment			
Opening balance	3,279.99	-	-
Addition during the year	-	3,279.99	-
Reduction during the year	(3,279.99)	-	-
Closing Balance	-	3,279.99	-
Security Premium for the Instruments entirely equity in the nature			
Opening balance	8,015.78	-	-
Addition during the year	2,671.93	8,015.78	-
Closing Balance	10,687.70	8,015.78	-
Total	(11,162.74)	(9,336.72)	(15,648.62)

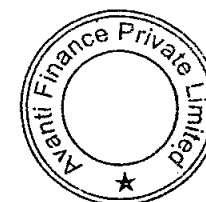
Nature and Purpose of Reserve

(i) **Securities Premium Reserve:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

(ii) **Retained earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

(iii) **Other comprehensive income reserve:** The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated in OCI reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

(iv) **ESOP Reserve:** portion of equity set aside by a company to fulfill its commitments under its employee stock option plans. This reserve represents the number of shares that the company has allocated for future issuance to employees as part of their compensation package through stock options.



Avanti Finance Private Limited
Notes forming part of standalone financial statements

24: Interest income

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Financial Assets measured at Amortised Cost		
Interest income on loan	21,581.63	10,332.19
Interest income from fixed deposits	186.37	141.76
Other interest income	3.98	2.05
Total	21,771.98	10,476.00

25: Fees and Commission income

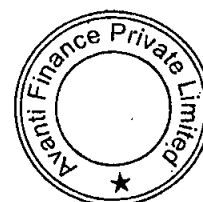
(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fee and commission income	1,170.97	46.23
Total	1,170.97	46.23

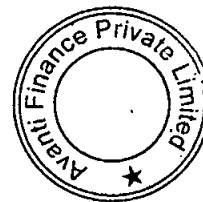
26: Net gain on fair value changes

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	274.06	42.19
Total Net gain/(loss) on fair value changes	274.06	42.19
Fair Value changes:		
- Realised	274.06	41.93
- Unrealised	-	0.26
Total Net gain/(loss) on fair value changes	274.06	42.19

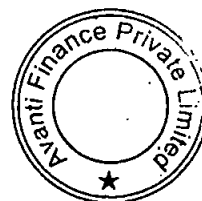


27: Other Income			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
Management Consultancy Fees	110.13	-		
Recoveries from partner	922.52	300.47		
Other income	27.96	1.34		
Total	1,060.61	301.81		
28: Finance Cost			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
On Financial liabilities measured at Amortised cost				
Interest on borrowings	5,364.40	2,412.44		
Interest on debt securities	2,844.23	1,918.49		
Interest on Lease liability	10.43	8.97		
Total	8,219.06	4,339.90		
29: Fee and commission Expense			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
Commission	7,436.71	3,091.67		
Total	7,436.71	3,091.67		
30: Impairment of financial instruments			(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023		
On Financial instruments measured at Amortised Cost				
Impairment on Loans	(1,895.96)	2,197.05		
Impairment on Trade receivables	2.60	-		
Bad Debts Written Off	5,067.31	685.41		
Total	3,173.95	2,882.46		



31: Employee Benefit Expenses (Rs. in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and Wages	3,242.36	2,566.67
Gratuity	34.74	26.33
Contribution to Provident Fund	65.65	44.29
Expense on Employee Stock Option (ESOP) Scheme	167.19	30.50
Recruitment expenses	1.89	36.19
Staff Welfare Expenses	138.70	60.19
Total	3,650.54	2,764.17

32: Depreciation, amortization and impairment (Rs. in Lakhs)		
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Tangible Assets	78.65	29.05
Amortization of Intangible Assets	403.47	48.04
Depreciation on Right to use Asset	44.43	33.77
Total	526.56	110.85



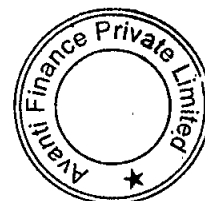
33: Other Expenses		(Rs. in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Legal and Professional Expenses	767.14	1,012.07
Payments to auditors (Refer note below)	46.05	26.54
Loss allowance on financial guarantee	567.77	-
Stamp duty and filing fees	10.15	60.57
Business promotion	75.27	-
Sitting fee	37.61	19.62
Travelling, Conveyance and Food Expenses	147.12	116.90
Lodging & Boarding Expenses	40.10	37.36
Guarantee fees	56.46	
Membership and Subscription	77.67	49.14
Bank Charges	42.07	17.26
Office Expenses	62.42	36.23
Rent on office premises	18.48	15.29
Miscellaneous Expenses	58.70	49.45
Total	2,007.01	1,440.43

Break up of payment to auditors		(Rs. in Lakhs)
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor:		
Statutory audit	29.43	19.62
Tax audit	5.45	3.27
In any other capacity		
Certification fees	8.12	3.65
Out of pocket expenses	3.05	
	46.05	26.54

Note 34: Earnings per share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) after tax attributable to equity shareholders (Rs. in Lakh)	(1,384.92)	(5,014.03)
No of Weighted Average Equity Shares outstanding during the period(Basic)	15,08,43,053.69	15,06,88,494.40
No of Weighted Average Equity Shares outstanding during the period (including dilutive potential equity shares)	33,54,99,646.67	26,53,61,285.78
Total number of equity share outstanding at end of year	15,09,07,193.03	15,08,32,193.03
Basic EPS	(0.92)	(3.33)
Dilluted EPS	(0.92)	(3.33)

Diluted Earnings per share for March 31, 2024 was same as Basic as the effect of dilutive convertible shares from shareholder was anti-dilutive.



Avanti Finance Private Limited**Notes forming part of standalone financial statements****35: Retirement Benefit Plan****Defined Contribution Plan**

The company makes contributions to provident fund which are defined contribution plan for qualifying employees. During the year, the Company recognised Rs. 65.65 Lakhs (Previous Year Rs. 44.29 Lakhs) for provident fund contributions in the statement of profit and

Defined Benefit Plan

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Current service cost	26.91	21.44	16.33
Interest cost on benefit obligation	7.84	4.90	4.06
Expected return on plan assets	-	-	-
Past Service Cost	-	-	-
Net actuarial (gain)/loss recognized in the year	-	-	-
Net (benefit) / expense	-	-	-
Expense recognised in Other Comprehensive Income			
Net Acturial (Gain)/Loss in defined obligation	1.84	9.26	4.20
Net Acturial (Gain)/Loss in planned asset	(0.58)	-	-
Total cost	36.00	35.60	24.59

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Opening defined benefit obligation	106.54	70.94	46.35
Transfer in/Out	-	-	-
Interest cost	7.84	4.90	4.06
Current service cost	26.91	21.44	16.33
Benefits paid	-	-	-
Past Service Cost	-	-	-
Actuarial loss / (gain) on obligation	1.84	9.26	4.20
Closing defined benefit obligation	143.13	106.54	70.94

Changes in the fair value of plan assets are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Opening fair value of plan assets	-	-	-
Transfer in/Out	111.98	-	-
Expected return	-	-	-
Contributions by employer	-	-	-
Benefits paid	-	-	-
Actuarial gains / (losses) on assets	0.58	-	-
Closing fair value of plan assets	112.56	-	-



Net Defined Benefit Asset / (Liability)
(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Defined benefit obligation	143.13	106.54	70.94
Fair value of plan assets	112.56	-	-
Asset/(liability) recognized in the balance sheet	30.56	106.54	70.94

Reconciliation of Amounts in Balance Sheet
(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Net defined benefit liability (asset) at prior year end	106.54	70.94	46.35
Defined benefit cost included in P&L	34.74	26.33	20.39
Total Amounts included in OCI	1.26	9.26	4.20
Other significant events/One time IND AS 19	-	-	-
Acquisition / Divestiture	-	-	-
Amounts recognized due to plan combinations	-	-	-
Employer contributions	(111.98)	-	-
Direct benefit payments by Employer	-	-	-
Adjustment to Opening Fair value of assets	-	-	-
Net defined benefit liability (asset) - end of period	30.56	106.54	70.94

Reconciliation of Statement of Other Comprehensive Income
(Rs. in Lakhs)

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Cumulative OCI - (Income)/Expense, Beginning of Period	13.46	4.20	-
Total remeasurements included in OCI	1.26	9.26	4.20
Cumulative OCI - (Income)/Expense, End of Period	14.72	13.46	4.20

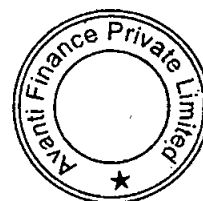
The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Discount rate	7.22%	7.49%	6.90%
Rate of increase in compensation levels	10%	10%	10%
Attrition rate	5%	5%	5%

The plan assets of the Company relating to Gratuity are invested through PNB metlife.

Particulars	March 31, 2024	March 31, 2023	April 1, 2022
Funded with PNB metlife	100.00%	0.00%	0.00%

Assumptions	March 31, 2024		March 31, 2024	
Sensitivity Level	Discount rate impact		Future salary impact	
Impact on defined benefit obligation	0.5% increase	0.5% decrease	0.5% increase	1.5% decrease
	(7.04)	7.70	4.78	(4.68)
Assumptions	March 31, 2023		March 31, 2023	
Sensitivity Level	Discount rate impact		Future salary impact	
Impact on defined benefit obligation	0.5% increase	0.5% decrease	0.5% increase	1.5% decrease
	(4.99)	5.44	3.10	(2.89)



Risks associated with Defined Benefit Plan:**(i) Market risk (Interest Rate Risk)**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(ii) Salary Risk

Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

(iii) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(iv) Attrition/Withdrawal Assumption

If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

(v) Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

(vi) Regulatory Risk

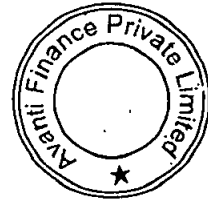
Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

Expected benefit payment for future years	(Rs. in Lakhs)		
	March 31, 2024	March 31, 2023	April 1, 2022
Year 1	6.21	3.80	4.70
Year 2	6.33	5.61	7.54
Year 3	7.44	5.77	7.43
Year 4	24.03	6.59	7.40
Year 5	7.60	21.82	7.29
Between 6 to 10 years	71.14	51.67	49.04
Above 10 years	264.86	190.87	41.02
Total expected payments	387.62	286.13	124.41

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Amounts recognised in profit or loss			(Rs. in Lakhs)
Particulars	Mar-24	Mar-23	
Interest on lease liabilities	12.49	8.97	
Total	12.49	8.97	
Amounts recognised in the statement of cash flows			(Rs. in Lakhs)
Particulars	Mar-24	Mar-23	
Interest paid on Lease liabilities	12.49	8.97	
Payment towards Lease liabilities	62.25	35.41	
Total cash outflow for leases	74.74	44.38	
Maturity analysis of Undiscounted lease liabilities			(Rs. in Lakhs)
Particulars	Amount		
Less than one year	59.46		
One to five years	98.96		
More than five years	-		
Total undiscounted lease liabilities at 31 March 2024	158.42		



38 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.

b) Vesting Period and Exercise Price

Grant Date	Category	No. of Options Granted	Exercise Price	Vesting Schedule
15-01-2021	A	15,25,000	10	30% at the end of Year 1, 35% over 16 quarters and Balance 35% in FY 25-26
15-01-2021	B	5,50,000	10	20% at the end of Year 1, 40% over 16 quarters and Balance 40% in FY 25-26
15-01-2021	C	1,50,000	10	10% at the end of Year 1, 45% over 16 quarters and Balance 45% in FY 25-26
15-01-2023	D	11,99,964	13	75% over 12 quarters and 25% in FY 25-26, for first 4 Quarters will vest on 25-01-2024
15-01-2023	E	18,84,632	13	75% over 12 quarters and 25% in FY 25-26, for first 3 Quarters will vest on 25-01-2024
15-01-2023	F	3,46,154	13	50% over 12 quarters and 50% in FY 25-26, first Quarter will vest on 25-04-2024
15-01-2023	G	3,00,000	10	80% on 25-01-2024, 20% over next 4 quarters
15-01-2023	H	1,53,846	13	34% on 25-01-2024, 66% on 10 quarters
15-01-2023	I	1,00,000	10	34% on 25-01-2024, 66% on 10 quarters
20-02-2023	J	69,662	28.71	After One Year, 100% in 5 quarters
01-11-2023	K	2,08,986	28.71	After One Year, 100% in 5 quarters
15-01-2021	L	77,10,000	10	50% at the end of Year 1, 25% over 16 quarters and Balance 25% in FY 25-26
15-01-2021	M	49,00,000	10	50% at the end of Year 1, 25% over 16 quarters and Balance 25% in FY 25-26
15-01-2021	N	75,00,000	10	40% at the end of Year 1, 35% over 16 quarters and Balance 25% in FY 25-26
15-01-2021	O	1,00,00,000	10	67.50% at the end of Year 1, 16.25% over 16 quarters and Balance 16.25% in FY 25-26
15-01-2023	P	12,00,000	13	45% at the end of Year 1, 45% over 12 quarters and Balance 10% in FY 25-26
01-11-2023	Q	26,72,449	28.71	30% at end of Year 1, 30% at end of Year 2 and 40% at end of Year 3

c) Contractual Term of the option and Vesting Period

Vesting is as mentioned above, and the exercise period shall be within 4 years from the date of vesting.

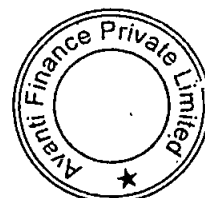
d) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year ended 31 March, 2024		During the year ended 31 March, 2023		During the year ended 31 March, 2022	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	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	3,70,83,178	10.41	3,36,17,813	10.00	3,55,10,000	-
Granted during the year: - ESOP A	29,89,538	28.71	54,15,365	12.78	-	10
Exercised during the year: - ESOP A	75,000	10.00	18,00,000	10.00	-	-
Lapsed during the year: - ESOP A	-	-	-	-	-	-
Forfeited during the year: - ESOP A	13,01,078	-	1,50,000	-	18,92,187	-
Options outstanding at the end of the year: - ESOP A	3,86,96,638	11.72	3,70,83,178	10.41	3,36,17,813	10
Vested during the year: - ESOP A	14,17,551	-	14,12,638	-	1,72,07,190	-
Options available for grant: - ESOP A	94,28,342	-	1,11,16,822	-	1,63,82,187	-

e) 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 (%)	5.58%
2. Expected life	5.55 years
3. Expected volatility (%)	39.05%

The compensation cost of stock options granted to employees has been accounted by the Company using fair value of options method.



Avanti Finance Private Limited
Notes forming part of standalone financial statements

Note 39

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
Independent Director	Mr. Subramaniam Somasundaram
Independent Director	Ms. Sukanya Kripalu
Non-executive Director	Mr. Annette Austin
Non-executive Director	Mr. Anirudh Jagdish Sarda
Key management personnel	Mr. Rahul Gupta (Chief Executive Officer/Executive Director)
Entities having control over Avanti finance private limited	NRJN Family Trust
Wholly owned Subsidiary	Avanti Microfinance Private Limited (AMPL)

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:-

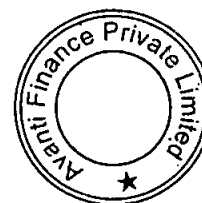
Particulars	For the year ended March 31,2024	For the year ended March 31,2023
	(Rupees in Lakhs)	(Rupees in Lakhs)
Issue of shares		
NRJN Family Trust	-	16,00,00,000
Assignment transactions		
Assignment of Loan portfolio to AMPL	165.47	263.50
Collection amount paid to AMPL for Assigned Loans	379.39	751.49
Service fee for the assigned Loan	8.56	26.83
Net Gain on derecognition of assigned portfolio	5.78	-
Remuneration to key management personnel [Refer Note 1]		
Mr. Rahul Gupta	457.73	373.26
Reimbursement of expenses to key management personnel		
Mr. Rahul Gupta	2.15	2.15
Employee stock options		
Mr. Rahul Gupta [Refer Note 1]	-	-

Note 1: Expense towards gratuity/ESOP 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 2: Guarantee provided to Catalyst Trusteeship Limited by AMPL towards issue of Rs. 100 Crs. Non convertible debentures by the Company has been waived off during Financial year 2022-23

(iii) Related Party Closing balances

Particulars	As at March 31,2024 (Rupees in Lakhs)	As at March 31,2023 (Rupees in Lakhs)
Equity share capital		
NRJN Family Trust	13,128.67	13,128.67
Dr. Vijay Kelkar	87.46	87.46
Mr. Ratan Tata	1,687.09	1,687.09
Compulsorily Convertible Preference shares		
NRJN Family Trust	1,600.00	1,600.00
From Subsidiary		
Collections Payable to assignee (AMPL)	-	77.85
Interest Strip Receivable on Assigned portfolio	5.78	-
Amounts receivable from AMPL	0.59	8.53

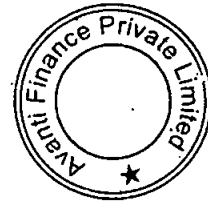


Avanti Finance Private Limited**Notes forming part of standalone financial statements****40: Capital Management**

The primary objective of the Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

Disclosures as required under RBI Circulars DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 updated on March 21, 2024 on 'Scale Based Regulation (SBR).

(Rs. in Lakhs)		
Regulatory capital	March 31, 2024	March 31, 2023
Common Equity Tier1 capital	25,631.38	27,045.75
Other Tier 2 capital instruments	-	-
Total capital	25,631.38	27,045.75
Risk weighted assets	1,27,185.78	63,596.23
Tier I capital ratio	20.15%	42.53%
Tier II capital ratio	-	-
Total capital ratio	20.15%	42.53%



Avanti Finance Private Limited
Notes forming part of standalone financial statements

Note 41: Financial risk management

Risk management framework

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Company (BOD) along with the management are primarily responsible for Financial Risk Management of the Company. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Management Committee (RMC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.

The RMC controls and manages an inherent risks related to the Company's activities by the following risk categories:

i. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables and financial assets measured at amortised cost.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The RMC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Company. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, source of income and continuity of employment/business.

The Company has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers

Credit approval

The Board of Directors has delegated credit approval authority to the Company's Credit Committee under the Company's Credit Policy. The credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

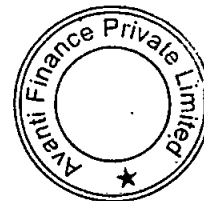
Credit underwriting

The Company's credit team evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of the product, customer scorecards wherever applicable, historical experience and demographic parameters. Any deviations need to be approved at the designated levels. The company offers to add on funding to existing borrowers basis credit performance governed through credit approvals and approved policy.

External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences.

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.



Cash shortfalls are identified as follows.

For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets at amortised cost'.

The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Retail, Institutional and working Capital Loans. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Company follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL, Adjustment factor) are estimated on a yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since its initial recognition.

Definition of Default

As per the Company's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 29 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 30 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of qualitative assessment, of whether the customer is in default, the company also considers a variety of instances that may indicate unlikelihood to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as stage 3 for ECL calculations, following are such instances:

- If the customer has requested restructuring in repayment terms, such restructured, rescheduled or renegotiated accounts
- A stage 3 customer having other loans which are in stage 1 or stage 2
- cases where company suspects fraud and legal proceedings are initiated.

The Company continues to recognize interest income during the moratorium period. As per assessment done by the Company and in the absence of other customer related credit risk indicators, the granting of moratorium period does not result in automatically triggering of significant increase in credit risk criteria of Ind AS 109.

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments are subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 29 days past due. The Company also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heightened risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences.

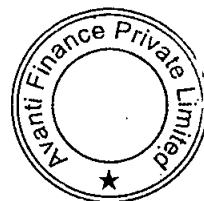
The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Company collects performance and default information about its credit risk exposures analysed by Product. The Company employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Company collects a list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.



Forward Looking Information

While estimating the expected credit losses, the Company arrives at forward-looking PD estimates through the incorporation of forward-looking macro-economic factors. The various macro-economic factors considered are Gross Domestic Product (% real change), Consumer Price Index Change (%), Lending Interest Rate (%), Private consumption (% real change), Manufacturing (% real change), Industrial production (% change), Recorded unemployment (%). Product-wise selection of macro-economic factors is done basis the best fitting of the macro indicators with the historical loss trends also taking into account management views, if any, on the drivers of the portfolio. Apart from considering the base case of the macro outlook, two more scenarios an optimistic and pessimistic views of the outlook are also evaluated taking into account the external market conditions. Appropriate weightage is assigned to each of the scenarios to arrive at the final estimates. Presently, a higher deterioration of the base macro outlook is done to arrive at the pessimistic view and also its weightage has been increased vis-a-vis pre-Covid levels in view of external conditions. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Reconciliation of ECL balances in given below :

Particulars	As at 31 March 2024 (₹ lakhs)				As at 31 March 2023 (₹ lakhs)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	925.30	1,151.39	3,600.52	5,677.21	2,330.78	54.22	1,096.16	3,481.16
New assets originated or purchased	1,393.32	-	-	1,393.32	3,000.99	-	-	3,000.99
Assets derecognised or repaid	(672.26)	(1,122.61)	(0.00)	(1,014.87)	(1,582.67)	(51.12)	(1,654.87)	(3,288.66)
Net transfers to/from Stage 1	(99.85)	38.81	61.05	-	(269.71)	43.67	226.04	-
Net transfers to/from Stage 2	11.09	(22.05)	10.95	-	1.11	(2.84)	1.73	-
Net transfers to/from Stage 3	8.57	2.40	(10.96)	-	0.66	-	(0.66)	-
Remeasurement of ECL	230.27	800.34	2,523.47	3,895.71	(2,555.87)	1,107.46	3,352.78	1,904.38
Amounts written off	-	-	(5,048.05)	(6,169.67)	-	-	579.33	579.33
ECL allowance - closing balance	796.44	848.28	2,136.98	3,781.69	925.30	1,151.39	3,600.52	5,677.21

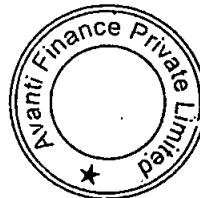
Credit Quality

The Company has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates lifetime PD (Stage 1, Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

Particulars	As at 31 March 2024 (₹ lakhs)				As at 31 March 2023 (₹ lakhs)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	55,178.12	693.39	3,614.26	59,485.77	36,959.50	197.44	1,296.88	38,453.82
New assets originated or purchased	83,087.49	-	-	83,087.49	47,587.16	-	-	47,587.17
Assets derecognised/repaid/ recovery	(40,088.77)	(676.06)	(0.00)	(40,764.84)	(25,096.59)	(186.14)	(1,957.89)	(27,240.62)
Net transfers to/from Stage 1	(5,954.59)	2,314.09	3,640.49	-	(4,276.77)	692.43	3,584.34	-
Net transfers to/from Stage 2	6.68	(13.28)	6.60	-	4.04	(10.34)	6.30	-
Net transfers to/from Stage 3	8.60	2.41	(11.01)	-	0.78	-	(0.78)	-
Amounts written off	-	-	(5,067.31)	(5,067.31)	-	-	685.41	685.41
Closing balance	92,237.54	2,320.55	2,183.03	96,741.12	55,178.12	693.39	3,614.26	59,485.77



Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Company creates ECL on trade receivable balances in line with ECL policy.

Cash and cash equivalents, other bank balance and other financial assets

The Company has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Company holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Company has possession of rental premises and other with whom the Company has worked with for a number of years.

Write off policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan.

Analysis of risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Since the Company provides only retail loans, there is not significant concentration risk at the borrower / counterparty level.

Stress testing of portfolio

The Company evaluates potentially adverse scenarios that may impact the business or portfolio performance. Annual stress test exercise covering the entire portfolio is performed to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions. The assessed impact is incorporated into risk appetite of the Company to ensure regulatory compliance.

Exposure to credit risk

The carrying amount of financial assets represents the maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of all financial assets except cash in hand and investment in government securities.

Particular	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
Maximum exposure to credit risk	96,741.12	59,485.77

iii. Liquidity Risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch



Tools to manage Liquidity Risk

The Company manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an

As at 31 March 2024 (₹ In lakhs)	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Trade payables	271.50	271.50	-	-	271.50
Debt Securities	34,192.49	15,385.72	18,806.77	-	34,192.49
Borrowings other than debt securities	61,048.53	36,341.38	24,707.15	-	61,048.53
Lease liabilities	136.62	53.54	83.08	-	136.62
Other financial liabilities (excluding lease liabilities)	774.84	774.84	-	-	774.84

As at 31 March 2023 (₹ In lakhs)	Carrying value	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities					
Trade payables	137.74	137.74	-	-	137.74
Debt Securities	16,291.51	4,000.00	12,291.51	-	16,291.51
Borrowings other than debt securities	32,723.51	18,543.59	14,179.92	-	32,723.51
Lease liabilities	69.30	31.31	37.99	-	69.30
Other financial liabilities (excluding lease liabilities)	167.05	167.05	-	-	167.05

iii. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

iv. Foreign Currency Risk

The Company does not have foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

v. Interest rate risk

The interest rate risk is the vulnerability of the Company's financial condition in adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Company's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Company and the governance and monitoring policies for interest rate risk management.

Particular	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)	As at 01 April 2022 (₹ lakhs)
Fixed rate borrowings			
Debt Securities*	34,192.49	16,291.51	14,804.34
Borrowing through Pass Through Certificate (PTC)	-	372.67	-
Borrowings other than debt securities	-	999.79	-
Variable rate borrowings			
Borrowings other than debt securities	61,048.53	31,351.05	10,991.34
Total borrowings	95,241.02	49,015.02	25,795.68

Sensitivity analysis

Effect on profit or loss (₹ lakhs)	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)	As at 01 April 2022 (₹ lakhs)
Impact on profit before tax of 100 bps increase in interest rate	-610.49	-313.51	-109.91
Impact on profit before tax of 100 bps decrease in interest rate	610.49	313.51	109.91

vi. Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables such as interest rates and credit spreads whether caused by factors specific to an individual investment, its issuer and market. The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Note 42: Fair value measurement**a. Classification and Fair Values of Financial Assets & Liabilities**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date:

Particular	As at 31 March 2024 (₹ lakhs)			As at 31 March 2023 (₹ lakhs)			As at 31 March 2022 (₹ lakhs)		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Financial assets:									
Cash and cash equivalents	20,637.64	-	-	20,646.57	-	-	2,321.27	-	-
Bank Balance other than above	3,618.15	-	-	11.23	-	-	49.65	-	-
Loans	92,959.43	-	-	53,808.55	-	-	34,972.65	-	-
Investments	3,951.61	-	-	4,351.88	-	-	3,951.61	-	-
Other financial assets	1,311.43	-	-	24.48	-	-	29.09	-	-
Total financial assets	1,22,480.26	-	-	78,842.72	-	-	41,324.27	-	-
Financial liabilities:									
Trade payable	271.50	-	-	137.74	-	-	24.93	-	-
Debt Securities	34,192.49	-	-	16,291.51	-	-	14,804.34	-	-
Borrowings (other than debt securities)	61,048.53	-	-	32,723.51	-	-	10,991.34	-	-
Other financial liabilities	911.46	-	-	236.35	-	-	385.12	-	-
Total financial liabilities	96,424.98	-	-	49,251.37	-	-	26,180.80	-	-

Fair value hierarchy

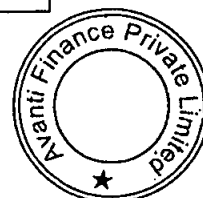
As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The hierarchy used is as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



Valuation techniques used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the company and other valuation models.

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries), derivative financial instruments, etc. at fair value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. Discussions on valuation processes and results are held between the valuation team and the senior management at least once in every year which is in line with the Company's yearly reporting periods.

Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

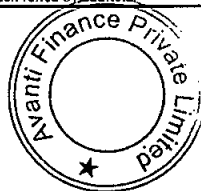
(Rs. in Lakhs)							
Particulars	Level	Carrying Value			Fair Value		
		Mar-24	Mar-23	Apr-22	Mar-24	Mar-23	Apr-22
Financial assets measured at Amortised cost							
Cash and cash equivalents	1	20,637.64	20,646.57	2,321.27	20,637.64	20,646.57	2,321.27
Bank Balance other than above	1	3,618.15	11.23	49.65	3,618.15	11.23	49.65
Trade receivable	3	275.15	-	-	275.15	-	-
Loans	3	92,959.43	53,808.55	34,972.65	92,959.43	53,808.55	34,972.65
Investments	3	3,951.61	4,351.88	3,951.61	801.09	1,130.02	2,759.18
Other Financial assets	3	1,313.43	24.48	29.09	1,313.43	24.48	29.09
Total financial assets		1,22,755.41	78,842.72	41,324.27	1,19,604.89	75,620.86	40,131.84
Financial Liabilities measured at amortised cost							
Debt Securities	3	34,192.49	16,291.51	14,804.34	34,192.49	16,291.51	14,804.34
Borrowings (other than debt securities)	3	61,048.53	32,723.51	10,991.34	61,048.53	32,723.51	10,991.34
Other Financial liabilities	3	911.46	236.35	385.12	911.46	236.35	385.12
Financial Liabilities		96,152.47	49,251.37	26,180.80	96,152.47	49,251.37	26,180.80

There have been no transfers between the level 1 and level 2 during the period.

Note 43: Maturity Analysis of Assets and Liabilities

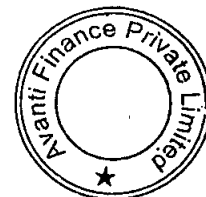
Particulars	As at 31 March 2024 (₹ lakhs)			As at 31 March 2023 (₹ lakhs)		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	20,637.64	-	20,637.64	20,646.57	-	20,646.57
Bank balance other than cash and cash equivalents	3,618.15	-	3,618.15	11.23	-	11.23
Trade Receivables	275.15	-	275.15	-	-	-
Loans	71,639.20	21,320.23	92,959.43	44,032.63	9,775.92	53,808.55
Investments	-	3,951.61	3,951.61	400.27	3,951.61	4,351.88
Other financial assets	1,313.43	-	1,313.43	24.48	-	24.48
Non Financial assets						
Property, plant and equipment	-	37.92	37.92	-	32.82	32.82
Right of use assets	-	139.54	139.54	-	69.60	69.60
Intangible assets	-	1,496.79	1,496.79	-	601.39	601.39
Other non-financial assets	3,389.12	-	3,389.12	771.44	-	771.44
Total Assets	1,00,872.70	26,946.09	1,27,818.79	65,886.63	14,431.35	80,317.97
Financial Liabilities						
Trade payable	271.50	-	271.50	137.74	-	137.74
Debt securities	15,385.72	18,806.77	34,192.49	4,000.00	12,291.51	16,291.51
Borrowings (other than debt securities)	36,341.38	24,707.15	61,048.53	18,543.59	14,179.92	32,723.51
Other financial liabilities	828.38	83.08	911.46	198.36	37.99	236.35
Non-financial liabilities						
Provisions	1,609.36	-	1,609.36	1,094.88	-	1,094.88
Other non-financial liabilities	1,345.17	-	1,345.17	1,003.25	-	1,003.25
Equity						
Equity share capital	-	15,090.72	15,090.72	-	15,083.22	15,083.22
Instruments entirely Equity in nature	-	24,512.30	24,512.30	-	23,084.22	23,084.22
Other equity	-	(11,162.74)	(11,162.74)	-	(9,336.72)	(9,336.72)
Total liabilities	55,781.51	72,037.29	1,27,818.79	24,977.82	55,340.14	80,317.97

* Loans and advance are classified basis behavioral pattern and management estimation of future inflows and outflows which have been relied by auditors.



Schedule to Balance sheet

Liabilities side		As at March 31, 2024		As at March 31, 2023		As at April 1, 2022				
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued			-	-	-	-			
(a)	Debentures : Secured	32,392.49		12,991.51	-	11,504.34	-			
	: Unsecured	1,800.00		3,300.00	-	3,300.00	-			
	(other than falling within the meaning of public	-		-	-	-	-			
(b)	Deferred Credits	-		-	-	-	-			
(c)	Term Loans	61,048.53		32,723.51	-	10,991.34	-			
(d)	Inter-corporate loans and borrowing	-		-	-	-	-			
(e)	Commercial Paper	-		-	-	-	-			
(f)	Public Deposits	-		-	-	-	-			
(g)	Other Loans (specify nature)	-		-	-	-	-			
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but	-		-	-	-	-			
(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	-		-	-	-	-			
(c)	Other public deposits	-		-	-	-	-			
Assets side		Amount outstanding		Amount outstanding		Amount outstanding				
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			-		-				
(a)	Secured	3,478.40		2,964.47		2,425.81				
(b)	Unsecured	93,262.72		56,521.29		36,028.01				
(4)	Break up of Leased Assets and stock on									
(i)	Lease assets including lease rentals under sundry			-		-				
(a)	Financial lease			-		-				
(b)	Operating lease			-		-				
(ii)	Stock on hire including hire charges under sundry			-		-				
(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			400.27		-				
(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		3,951.61		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 :									
Category		Amount net of provisions			Amount net of provisions			Amount net of provisions		
		Secured	Unsecured	Total	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	3,342.42	89,617	92,959.43	2,681.55	51,127.02	53,808.56	2,206.21	32,766.45	34,972.66
Total		3,342.42	89,617	92,959.43	2,681.55	51,127.02	53,808.56	2,206.21	32,766.45	34,972.66



(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)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties						
(a) Subsidiaries	801.09	3,951.61	729.75	3,951.61	2,759.18	3,951.61
(b) Companies in the same group			-	-	-	-
(c) Other related parties			-	-	-	-
2. Other than related parties						
Total						

(8) Other information			
Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
(i) Gross Non-Performing Assets (Refer Note 1)			
(a) Related parties		-	-
(b) Other than related parties	2,183.03	3,614.26	1,296.88
(ii) Net Non-Performing Assets			
(a) Related parties	-	-	-
(b) Other than related parties	46.05	13.74	200.72
(iii) Assets acquired in satisfaction of debt	-	-	-

Notes :
1. NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

(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 116 Amount outstanding 10,97,200 Provision thereon 22,281	23 4,26,524 2,83,253	- - -	- - -	- - -
2 Fresh restructuring during the year	No. of borrowers - Amount outstanding - Provision thereon -	- - -	- - -	- - -	- - -
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 - Amount outstanding - Provision thereon -	10 3,66,978 7,452	- - -	- - -	- - -
6 Write-offs of restructured accounts during the FY	No. of borrowers 29 Amount outstanding 8,82,266 Provision thereon 17,916	19 6,02,384 4,00,041	- - -	- - -	- - -
6 Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers 73 Amount outstanding 2,20,289 Provision thereon 3,156	10 1,86,427 95,991	- - -	- - -	- - -

Note:

*Company has not done any Corporate debt restructuring and SME debt restructuring as at March 31, 2024

(10) Asset classification

Asset classification as at March 2024

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	92,237.54	796.44	91,441.10	368.95	427.49
Subtotal	Stage 2	2,320.55	848.28	1,472.28	9.28	838.99
						-
Non-Performing asset (NPA)						
Substandard	Stage 3	2,183.03	2,136.98	46.05	218.30	1,918.68
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful						-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						-
	Stage 1	92,237.54	796.44	91,441.10	368.95	427.49
	Stage 2	2,320.55	848.28	1,472.28	9.28	838.99
	Stage 3	2,183.03	2,136.98	46.05	218.30	1,918.68
Total	Total	96,741.12	3,781.69	92,959.43	596.54	3,185.16

As per Circulars DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 updated on March 21, 2024 on 'Scale Based Regulation (SBR)', where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Since the impairment allowance under IND AS 109 is higher than the provisioning required under IRACP (including standard asset provisioning), the Company has not created any Impairment Reserve.



b. asset classification as at March 2023

Asset classification as per RBI norms	Asset classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing asset						
Standard	Stage 1	55,178.12	925.30	54,252.82	137.95	787.36
	Stage 2	693.39	1,151.39	-458.00	1.73	1,149.66
Subtotal						
Non-Performing asset (NPA)						
Substandard	Stage 3	3,614.26	3,600.52	13.74	361.43	3,239.09
upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful						
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
Total	Stage 1	55,178.12	925.30	54,252.82	137.95	787.36
	Stage 2	693.39	1,151.39	-458.00	1.73	1,149.66
	Stage 3	3,614.26	3,600.52	13.74	361.43	3,239.09
	Total	59,485.77	5,677.21	53,808.56	501.10	5,176.10

As per Circulars DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 updated on March 21, 2024 on 'Scale Based Regulation (SBR)', where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. Since the impairment allowance under IND AS 109 is higher than the provisioning required under IRACP (including standard asset provisioning), the Company has not created any Impairment Reserve.

(10) Sectoral Exposure

a. Capital Market

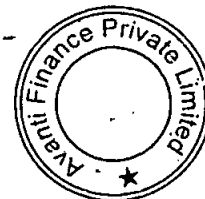
The Company does not have any exposure to Capital Market.

b. Real Estate

The Company does not have any exposure to Real Estate.

c. Sector wise classification of exposure

Sectors	March 31, 2024			March 31, 2023		
	Total Exposure (Rs. in Lakhs)	Gross NPA's (Rs. in Lakhs)	% of Gross NPAs to total exposure	Total Exposure (Rs. in Lakhs)	Gross NPA's (Rs. in Lakhs)	% of Gross NPAs to total exposure
1. Agriculture & Allied Activities	10,601.95	560.46	5.29%	3,263.87	2.86	0.09%
2. Industry						
3. Services	1,233.86	198.29	16.08%			
4. Personal Loans						
• Housing Loans						
• Non-Housing Loans						
Total Personal Loans						
5. Others (Livelihood Loans)	84,905.30	1,424.16	1.68%	56,221.90	3,611.40	6.42%



(11) Disclosure of complaints

Movement of Complaints received during the year

Pending Complaints as on March 31, 2022	-
Additions during the year	17
Resolved during the period	-17
Pending Complaints as on March 31, 2023	-
Additions during the year	54
Resolved during the period	-54
Pending Complaints as on March 31, 2024	-

Note: The Company has not received any complaints during the year from office of ombudsman

Top five grounds of complaints received from customers during the year ended March 31, 2024

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 day
1	2	3	4	5	6
1. Disbursement	-	2	100%	-	-
2. PMAY Subsidy	-	-	-	-	-
3. Fore-closure letter	-	1	0%	-	-
4. Application / Rol	-	3	200%	-	-
5. Fees and Charges	-	-	-	-	-
6. Loan Documents	-	-	-	-	-
7. Statement Related	-	-	NA	-	-
8. Others	-	48	269%	-	-
Total	-	54	218%	-	-

Top five grounds of complaints received from customers during the year ended March 31, 2023

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 day
1	2	3	4	5	6
1. Disbursement	-	1	NA	-	-
2. PMAY Subsidy	-	-	-	-	-
3. Fore-closure letter	-	1	NA	-	-
4. Application / Rol	-	1	NA	-	-
5. Fees and Charges	-	-	-	-	-
6. Loan Documents	-	-	-	-	-
7. Statement Related	-	1	NA	-	-
8. Others	-	13	308%	-	-
Total	-	17	235%	-	-

(12) Public disclosure on liquidity risk

a. Funding Concentration based on significant counterparty (borrowings)

No. of Significant Counterparties	Amount	% of Total Liabilities
17	69,836.63	54.64%

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

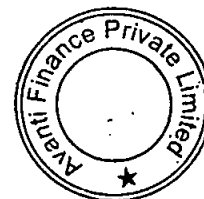
Amount	% of Total Borrowings
46,890.10	49.23%

c. Funding concentration based on significant instrument / product:

Name of the instrument #	Year ended March 31, 2024	% of Total Liabilities
1 Term Loan	61,048.53	48%
2 Non-Convertible Debentures (secured and unsecured)	34,192.49	27%

d. Stock ratios

Name of the Instrument	As at 31 March 2024	As at 31 March 2023
1 Short Term NCD (original maturity upto 1 year)/Total Assets	NA	NA
2 Short Term NCD (original maturity upto 1 year)/Total External Liabilities	NA	NA
3 Commercial Papers/Total Assets	NA	NA
4 Commercial Papers/Total external liabilities	NA	NA
5 Long Term Assets/ Total Assets	21.08%	17.97%
6 Short Term Liabilities/Total External Liabilities	56.13%	48.51%
7 Other Short Term Liabilities/Total Assets	43.64%	31.10%



13 Derivatives

a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	Nil	Nil
(v) The fair value of the swap book	Nil	Nil

b. Exchange Traded Interest Rate (IR) Derivative

Particular	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year ended	Nil	Nil
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on year ended	Nil	Nil
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil
(i) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	Nil	Nil

c. Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing derivative cover to third parties.

d. Qualitative Disclosure

(i) All hedging activities, if any are carried out by Centralised treasury department possessing the appropriate skills, experience and supervision. The Company's activities expose it to the financial risks of changes in foreign exchange rates. The Company uses derivative contracts to hedge its foreign exchange exposure movements, wherever applicable. The use of these derivative contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

(ii) The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

a) Treasury and Risk function is authorised to elect appropriate derivative instrument;

b) The Company shall fully hedge the risk on account of foreign currency fluctuation and change interest rate towards external commercial borrowing;

c) Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled and reported to ALCO.

d) The Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;

e) The Company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and

e. Quantitative Disclosure

Particulars	As at 31 March 2024 (₹ lakhs)		As at 31 March 2023 (₹ lakhs)	
	Currency derivative (₹ lakhs)	Interest rate Derivatives (₹ lakhs)	Currency derivative (₹ lakhs)	Interest rate Derivatives (₹ lakhs)
Derivatives (Notional Principal Amount) for hedging	Nil	Nil	Nil	Nil
Marked to Market Positions				
a) Asset (+)	Nil	Nil	Nil	Nil
b) Liability (-)	Nil	Nil	Nil	Nil
Credit Exposure	Nil	Nil	Nil	Nil
Unhedged Exposures	Nil	Nil	Nil	Nil

14 Investments

Particulars	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
Value of Investments		
(i) Gross value of investments		
(a) In India	3,951.61	3,951.61
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	3,951.61	3,951.61
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

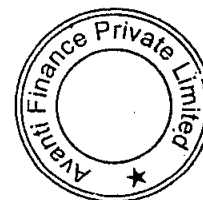
15 Securitization and Assignment

a) Securitization Transactions (Non-STC)

Particulars	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
1. No of SPEs holding assets for securitisation transactions originated by the originator	-	1.00
2. Total amount of securitised assets as per books of the SPEs		372.67

b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

During the year Company has not sold financials asset to securitisation/ reconstruction company for asset reconstruction.



c) Assignment

Details of Assignment transactions undertaken by the Company during the year

Particular	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
Entity/Assignee	4.00	1.00
Number of loans assigned	33,573.00	1,620.00
Amount of loans assigned	5,992.25	263.50
Retention of beneficial economic interest	556.09	26.35
Coverage of tangible security*	NIL	NIL
Rating	NA	NA

*for secured loans

d) Details of non-performing financial assets purchased / sold

(i) Details of non performing financial assets purchased during the year:

Particular	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
No. of accounts purchased during the year		
Aggregate outstanding	NIL	NIL
Of these, number of accounts restructured		
Aggregate outstanding		

The Company does not acquired any stressed assets during the year.

(ii) Details of stressed loans transferred or acquired based on RBI Circular No. RBI/DOR/2021-22/86 dated 24 September 2021 for the year ended March 31, 2024:

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)	For the year ended 31 March 2024			For the year ended 31 March 2023		
	To ARC	To permitted transferee	To other transferees	To ARC	To permitted transferee	To other transferees
No. of accounts	NIL	NIL	1852	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NIL	NIL	431.26	NIL	NIL	NIL
Net book value of loans transferred (at the time of transfer)	NIL	NIL	431.26	NIL	NIL	NIL
Aggregate consideration	NIL	NIL	239.91	NIL	NIL	NIL
Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL	NIL	NIL	NIL

16 Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	31-03-2024	31-03-2023
	CRISIL	CRISIL
Non convertible debentures	BBB+	BBB+
Term Loan	BBB+	BBB+

Ratings are subject to annual surveillance.

17 Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit & Loss Account

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2024 (₹ lakhs)	For the year ended 31 March 2023 (₹ lakhs)
Provision made towards income tax (incl. adj. for tax of earlier period)	-	-
Provisions for depreciation on Investment	-	-
Other Provision and Contingencies	1,609.36	1,094.88
Provision towards NPA portfolio loans	2,183.03	3,614.26
Provision for Standard Assets	94,558.09	55,871.51

18 Movement of NPAs and Provision

Particulars	(Rs. in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Net NPAs to Net Advances (%)	1.13%	0.04%
Movement of Gross NPAs		
(a) Opening Balance	3,614.26	1,296.88
(b) additions during the year	3,647.09	3,590.64
(c) Reductions during the Year	(5,078.32)	(1,273.26)
(d) Closing Balance	2,183.03	3,614.26
Movement of provisions for NPAs		
(a) Opening Balance	3,600.52	1,096.16
(b) Provisions made during the year	2,595.48	3,580.55
(c) Write off / Write back of excess provisions	(5,059.02)	(1,076.20)
(d) Closing Balance	1,136.98	3,600.52
Movement of Net NPAs		
(a) Opening Balance	13.74	200.72
(b) additions during the year	1,051.61	10.09
(c) Reductions during the Year	(19.30)	(197.06)
(d) Closing Balance	1,046.06	13.74

19 Intra-Group Exposure

Particulars	As at 31 March 2024 (₹ lakhs)	As at 31 March 2023 (₹ lakhs)
(i) Total amount of intra-group exposures		
(ii) Total amount of Top 20 intra-group exposures	NIL	NIL
(iii) Percentage of intra-group exposures to total exposures of the NBFC on borrowers/customers		

20 Unhedged foreign currency exposure

a) The Company has no unhedged foreign currency exposure on March 31, 2024. Previous year (NIL)

21 Corporate Governance

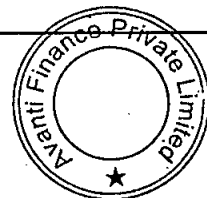
Disclosure in relation to corporate governance are disclosed in the corporate governance section in accordance with SEBI (LODR) Regulation 2015 as amended from time to time.

22 Breach of covenant

There were no instances of breach of covenant of loan availed or debt securities issued during the years ended 31 March 2024 and 31 March 2023.

23 Divergence in Asset Classification and Provisioning

There is no divergence assessed by RBI during the years ended 31 March 2024 and 31 March 2023.



Note 45

The company operates as a Non-Banking Finance Company. As per the Chief Operating decision maker, all the activities of the Company revolve around the main business and there is no other relevant segment. Further, the Company does not have any separate geographical segments other than India. As such there are no separate reportable segments as per Ind AS -108 "Operating Segments".

Note 46 Commitment, Contingent Liability and Contingent assets

- (a) **Capital commitment** Commitment towards development of Avanti Platform as at March 31, 2024 Rs. 4778.50 Lakhs (P.Y. Rs Nil)
- (b) **Other commitment:** Commitment towards Loans sanctioned before March 31, 2024 but not disbursed is Rs. 1,01,32,000 (P.Y. Rs.74,75,000).
- (c) **Contingent Liability:** Claims against Company not acknowledged as debts as at March 31, 2024 is Nil (P.Y. Rs.Nil)
- (d) **Contingent Assets:** The Company has FLDG (First Loss default Gurantee) from its partners of INR 2794.29 Lakhs as on March 31, 2024

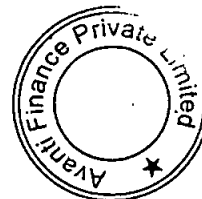
Note 47: Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Particular	(Rupees in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	89.26	-
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, 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 of the Micro small and Medium Enterprise Development Act, 2006.	-	-

Note 48: Tax litigations

The Company has received assessment order under section 143(3) for the AY 2021-22 on December 22, 2023, where by the department has reduced the brought forward loss of the company by INR 1,32,63,248/-. The Company has filed appeal before CIT(A) against the order under section 143(3) and the proceedings are pending before CIT(A).



Note 49: 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 23, Sept 23 and Dec 23 are in agreement with the books of accounts. Further for quarter ended Mar 24 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:

Particular	As at 31 March 2024	As at 31 March 2023
Capital to risk-weighted assets ratio (CRAR) (%)	20.15%	42.53%
Tier I CRAR (%)	20.15%	42.53%
Tier II CRAR (%)	-	-

h. Compliance with approved Scheme(s) of Arrangements: The Company has not entered in any such arrangements during the year 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 50: Corporate Social Responsibility

The Company is consecutively incurring losses from past two years, hence there is no liability towards CSR activities as specified under Section 135 of the Companies Act, 2013.

Note 51: Events after reporting date

There are no events after the reporting date that require disclosure in these financial statements.

Note 52: Details of Transferred financial assets that are derecognised in their entirety

During the year, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition:

Particular	As at 31 March 2024	As at 31 March 2023
Carrying amount of derecognised financial assets measured at amortised cost	5,992.25	263.50
Net Gain/(loss) from derecognition for the year	823.93	-
Carrying amount of derecognised financial assets carried at FVOCI	-	-
Net Gain/(loss) from derecognition for the year	-	-
Particular	As at 31 March 2024	As at 31 March 2023
Carrying amount of continuing involvement in derecognised financial assets	1,629.63	30.53

Note 53

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

In terms of our report attached

For M. P. Chitale & co.
Chartered Accountants

Murtuza Vajih
Partner

Place: Mumbai



For and on behalf of the Board of Directors

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991

Ms. Urvashi P. Bahirsheth
Company Secretary

Mr. Rahul Gupta
Director
DIN: 09247626