



**#Resilient
Together**

ANNUAL REPORT

2024-25

www.resilientreport.com

TABLE OF CONTENTS

01	CEO's Message	13	People and culture
02	Avanti's Board of Directors	14	Impact and Inclusion
03	Leadership Team	15	ESG initiatives
04	Company Overview	16	Notice of AGM
05	Avanti's Journey	17	Directors Report
06	Avanti's Partners	18	Secretarial Audit Report
07	Reflection from Partners	19	Corporate Governance Report
08	Customer stories	20	Management Discussion and Analysis
09	Year in Review	21	Standalone Financial Statements (along with Audit Report)
10	Strategy for FY 26	22	Consolidated Financial Statements (along with Audit Report)
11	Avanti Platform		
12	Milestones for FY 26		



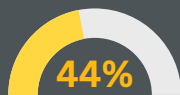
From the CEO's Desk



Dear Shareholders, Partners, and Well-wishers,

It is with immense pride and gratitude that I present to you Avanti's Corporate Report for the financial year 2024-25. The past year has been challenging, with a rise in delinquencies primarily due to overleveraged customers, heat waves in various parts of India, higher churn among field officers, and local disturbances. As a result, delinquencies peaked in December 2024, after which collection efficiencies started to improve. I expect stabilisation by the end of Q2 FY2025-26.

During the year, we successfully extended our services to a total of 1.1 Mn clients across 26 states, 350 districts, and 28,000 villages, growing our loan portfolio by 15% YoY to INR 1,647 crores. I am also happy to report that our strategy to grow in a capital-efficient manner has delivered good results, and 35% of our total disbursements during the year were done through co-lending.



Digital Collections
in FY 25



Off Balance Sheet
AUM share in FY 25

1.1 Million

Households
Reached

The microfinance sector continues to play a pivotal role in bridging the gap between traditional financial services and the underserved. At Avanti, we have not only embraced this challenge but have also consistently strived to innovate and expand our reach and technology capabilities, ensuring that more people have access to the resources they need to build better lives. We continue to invest in technology to enhance operational efficiency and client experience. Some of the key developments include the implementation of a co-lending platform, streamlining of our processes, reduced turnaround times, and improved data accuracy.

I express my sincere gratitude to all our clients, partners, employees, and other stakeholders for believing in us and supporting us in our journey to redefine financial inclusion. Your entrepreneurial spirit and resilience inspire us to continuously improve and innovate.

Looking ahead to FY2025-26, we remain optimistic and focused on our strategic priorities. We will continue to explore opportunities for sustainable growth, deepen our impact in existing markets, and leverage technology to deliver even more accessible and impactful financial solutions. Our commitment to our mission of empowering the underserved remains unwavering.

Thank you for your continued trust and support. Let's build a more inclusive and prosperous future together.

Rahul Gupta

Director and CEO



Board of Directors



Dr. Vijay L. Kelkar

Director and Co-founder



Nandan Nilekani

Director and Co-founder



Sukanya Kripalu

Independent Director



Bindu Ananth

Nominee Director



Roopa Satish

Nominee Director



Subramaniam Somasundaram

Independent Director



Jeroen Meerburg

Nominee Director



Rahul Gupta

Director and CEO

Leadership Team



Mr Manish Thakkar
CHIEF OPERATING OFFICER



Mr Lalitesh Katragadda
CHIEF PRODUCT OFFICER



Mr Sunil Kumar Tadeipalli
CHIEF OF PARTNERSHIPS AND HR



Mr Nagaraj Subrahmanya
CHIEF RISK OFFICER



Ms Kunguma Sharmila
CHIEF AUDIT OFFICER



Mr Sushil Thaker
CHIEF FINANCIAL OFFICER



Ms Urvashi Bahirsheth
COMPANY SECRETARY AND
CHIEF COMPLIANCE OFFICER



Mr Swapnil Dixit
SVP - PRODUCT



Mr Sashi Pandey
SENIOR VICE PRESIDENT

Company Overview



Inclusive
design



Partner
driven



Digital
First



Scalable
impact

Avanti Finance Pvt Ltd was set up in 2016 with the mission to make financial services affordable and accessible for India's underserved and unserved households. The company operates as a technology-driven NBFC, an API-driven digital platform to deliver frictionless credit tailored to the cash flows and livelihood needs of its users.

Our innovative, asset-light model enables scalable and cost-efficient expansion, with a strong focus on women, smallholder farmers, and micro-enterprises. 90% of borrowers are women, and over 60% are smallholder households. By digitizing social trust and focusing on sustainable livelihoods, Avanti aims to empower the next 100 million households, driving holistic financial inclusion in the last mile.

Our Founders



Mr Ratan Naval Tata



Dr. Vijay L. Kelkar



Mr Nandan Nilekani

Reach

+1.1Mn

Households Served

45 Bn

INR Disbursed

Channel Partners

89

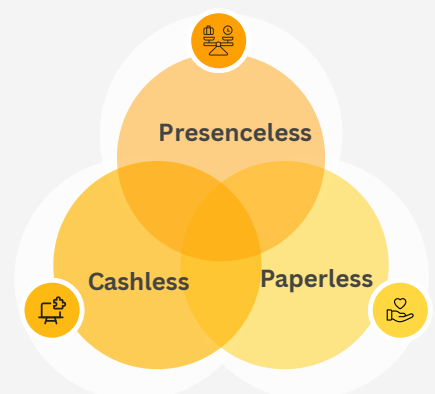
Rural
Channel

83

Urban
Channel

06

Operating principles



27

states

350

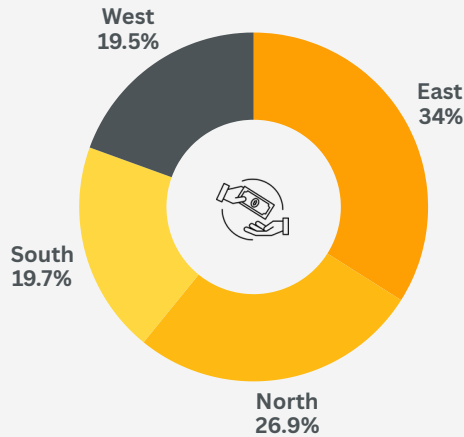
districts

23,000

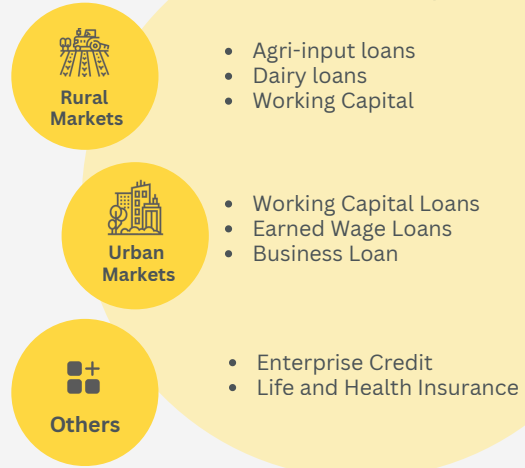
villages

Avanti's Journey

Region Wise Distribution



Our Offerings



Digital Repayments

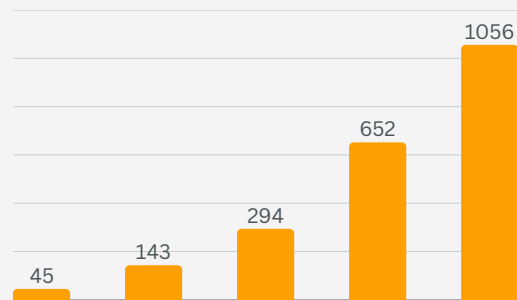
44.3% ↑ 47.2%

New to Credit

24%

Share of agri and allied loans

>60%



Number of households served (in 000's)

63%

CAGR in AUM last 3 Years

87%

women borrowers



Operations



INR 43,000

Average ticket size



1.7 days

Average TAT for disbursement



37%

Loan renewal / repeat borrower rate

Technology

Number of new features launched

100

transactions per day

17.5K

Product Variants

50+

Credit Plus

Total sum insured

63.2Mn

No. of insurance partners

3

Smartphone-enabled loan management

100%

Our Partners

Equity Investors

Gates Foundation (formerly known as Bill & Melinda Gates Foundation)

IDH Farmfit Fund B.V.

MI India Capital And Investment Private Limited (Dia Vikas Capital)

Nomura Capital (India) Private Limited

Oikocredit Ecumenical Development Cooperative Society U.A.

Rabo Partnerships B.V.

Co-lending Partners

Credit Saison India

State Bank of India

Federal Bank

Vivriti Capital

Insurance Partners

Bajaj Life Insurance Corporation

Credit Access Life Insurance

Care Health Insurance

Coverfox Brokers

Technology Partners

Indihood Pvt Ltd

Reflection from Partners



KarmaLife's collaboration with Avanti has enabled us to extend financial flexibility to over **2.7 lakh** gig and blue-collar workers. This partnership has helped us deliver timely, needs-based credit—empowering workers to better manage emergencies and daily expenses, while driving measurable improvements in financial wellbeing and workforce retention.

Mr Rohit Rathi
Founder, Karmalife



Avanti's unmatched turnaround time has made loan processing fast, reliable, and customer-centric, strengthening trust and attracting more customers. Together, we're not just disbursing loans—we're delivering timely confidence to those who need it most.

Mr Sarat Chandra Das
MD, GDFPL



Avanti has been a trusted partner to UFin, providing unwavering support and sharing a common vision over four remarkable years. Avanti's dependability and commitment have been instrumental in UFin's growth, and their dedication is deeply appreciated by the UFin team. UFin looks forward to achieving many more milestones in partnership with Avanti in the years ahead.

Mr Mohan Kumar Subramanyam
MD, MSM



Our partnership with Avanti has enabled us to provide livelihood loans to over 45,000 rural women, helping them generate sustainable income and support their families. The strong synergy and shared vision between Jagaran and Avanti have made this partnership a resounding success.

Mr Jaydeep Ghosh
CEO, Jagaran Microfin



Avanti enabled Sahyog's growth, innovation, and operational excellence throughout.

Mr Raman
Director, Sahyog



With customised credit offerings for the marginalised during times of crisis, Avanti's role was pivotal in restoring and enhancing livelihood activities in Manipur. Together, Avanti and SEVA Manipur uplifted underserved women's borrowers—combining compassionate support with the power of digital transactions for lasting progress and dignity for a brighter future.

Mr Kh Chingkhei Singh
Secretary, SEVA Manipur



Customer stories



“With support from Avanti, I got an INR 40,000 loan, through which I expanded my tailoring into a small business. My monthly income has doubled, and I’m proud to repay on time along with supporting my family.”

”

— **Rani Sitaram Khorne, Washim, Maharashtra**

“

“I used to borrow tools and stitch blouses whenever I could find work. After receiving INR 30,000 in credit, I bought a machine and fabrics. Now I run a small blouse business from home and take bulk orders during the wedding season.”

— **Selvi P., Tirunelveli, Tamil Nadu**



“The INR 60,000 loan that I took from Avanti changed everything for me. Earlier, I used to sell vegetables in my village *mandi* from the same place, but now I bought a new cart, cold boxes, and sell vegetables in two markets daily.”

”

— **Pushpa Kumari, Bahraich, Uttar Pradesh**

“

“With an INR 55,000 loan, I bought a small powerloom to expand beyond hand weaving. Now I supply fabrics to a local trader and earn steadily even in off-season months. The income has helped me repair our home and manage school fees for my children.”

— **Tashi Dema, Mangaldoi, Assam**



“I took an INR 50,000 loan to expand my grocery store’s inventory ahead of the festival season. With more stock and variety, my customer base doubled, and daily sales have significantly increased.”

”

— **Nabakishore Nayak, Kandhamal, Odisha**



Year in Review

The last financial year presented a challenging operating environment for the entire microfinance sector. According to the report published by the Self-Regulatory Organization (Sa-Dhan), the sector AUM contracted with steep declines in profitability across all major players.

In contrast, Avanti deepened its presence in Odisha, West Bengal, Assam, and Jharkhand, recording an 11% YoY increase in AUM. Aligned with our long-term strategy of becoming a multi-product, multi-channel platform, we onboarded 8 new partners focused on the urban underserved and MSME segments. Disbursements from these new channels reached INR 1550 Mn, representing a 5X YoY growth—a strong validation of our differentiated value proposition for both customers and partners.

Avanti's direct-to-customer (D2C) Hubs also delivered on their mandate: providing on-ground intelligence, supporting partner collections, and serving as testbeds for new products and technology features.

Institutional capabilities remained a key focus area for Avanti. During the year, Avanti appointed JHS & Associates LLP as the Internal Auditor and made significant enhancements to its audit and compliance systems to achieve quicker turnaround on regulatory audits. These improvements align with the company's strategy to automate data flows from periodic audits and regulatory reviews. Avanti was also certified with ISO 27001:9001, underscoring the maturity and robustness of its internal processes and technology.

11% ↑

YoY AUM Growth

5X YoY

growth in diverse channel

ISO 27001:9001

certified



NEW PARTNERS
ONBOARDED IN FY 25

16



APPLICATIONS
FILLED IN FY 25

800K+



NEW DISTRICTS
COVERED IN FY 25

35

Collection challenges

Household over-leveraging was the primary case of increased delinquency, which was further aggravated by slower disbursements in the rural markets.

Certain clusters in states such as Rajasthan, Madhya Pradesh, and Uttar Pradesh were impacted. However, Avanti's collections in most of these clusters performed better than those of industry peers.

Simultaneously, operational challenges continue to mount. Serving remote and rural clients involves high delivery costs, and the industry is experiencing persistent attrition among field staff, which impacts continuity and increases hiring and training expenses. The rise of digital lending platforms offering faster, tech-enabled credit access has intensified competition, especially among younger borrowers. Additionally, socio-political disruptions, such as elections, protests, or weather-related livelihood shocks, have affected repayment cycles and heightened operational uncertainty. These combined pressures demand a renewed focus on innovation, efficiency, and risk management across the sector.

MICROFINANCE SECTOR NPA TRENDS (FY25)

PAR 30

8.8%

↑ +151% YoY

PAR 60

5.3%

↑ +253% YoY

PAR 90

2.4%

↑ +380% YoY



Highlights from the Annual Partner Meet



Number of attendees

145



of keynote speakers

03



of roundtable discussion

05

Avanti Finance hosted the second edition of its Annual Partners Meet in November 2024, an event aimed at discussing new ideas and fostering collaboration among our partner ecosystem. This edition brought together 30+ institutions from the financial inclusion sector. We also saw participation from notable impact investors such as Oikocredit and Dia Vikas Capital.

The agenda featured thought-provoking panel discussions and sessions exploring innovative business models for rural finance. Experts also addressed the potential for customized financial solutions for urban gig workers and low-income populations. Key themes included the use of data to strengthen risk and compliance frameworks and how agri-tech companies are facilitating formal credit access for small-scale and marginalized farmers. Another highlight of the event was the perspectives from impact investors about challenges and opportunities in funding smaller financial institutions.

The event wrapped up with a session on the evolving human resources landscape. Discussions focused on the growing role of technology in recruitment, training, and employee retention, and how HR is becoming more strategic and data-driven. This closing segment underscored the importance of integrating tech-enabled practices to build more efficient and resilient organizations.





Strategy and Management

Distributed Collections Network

Strengthen collections via distributed partner network



Strengthen New Channels

Transition to a Multi product and multi channel strategy



Digital Collections Advancement

Work closely with our channel partners to advance digital collections, driving higher efficiency



Increase Field Productivity

Enhance field productivity with digital tools to improve outreach and loan quality



It is fair to say that the changes brought about by the sectoral crisis are here to stay and will alter some of the fundamental assumptions on which the microfinance sector has operated. For example, credit costs, long believed to be between 1.5–2%, will now be recalibrated, as will assumptions regarding field operating expenses, reliance on joint liabilities, and the relevance of digital collection methods. There is now an industry-wide realization, particularly among larger players, that a mono-product model—underwritten primarily via joint liability groups and driven by cash-based, field-intensive operations—is no longer tenable. This shift is evident in the increased disbursal of non-micro segments and a heightened focus on both secured and unsecured individual loans.

Avanti's operating model, built on the principles of presenceless (authentication from anywhere), paperless (verification and validation via digital records), and cashless (encouraging digital banking habits for a higher digital footprint), has enabled the company to deliver individual livelihood loans effectively. Supported by a robust distribution network, this approach has allowed Avanti to withstand many of the industry-wide challenges. The company's portfolio demonstrated remarkable resilience, with Avanti's NPA at just 1.42% compared to the industry average of 12–16%. This performance underscores Avanti's strategy of diversifying across products and geographies, building a strong network of partners across channels, and delivering financial services digitally in ways that foster trust and agency among its users.

FY26 will be a year of consolidation for Avanti, with a focused effort on driving 'profitable scale.' To achieve this, Avanti has identified four key strategic tracks that will guide its efforts throughout the year.

- The company will strengthen collections by building a distributed network of partners, agencies, and internal teams, ensuring proximity to customers and enabling rapid customization of collection and recovery strategies.
- Avanti will intensify its focus on Eastern markets by deepening its presence, enhancing field productivity and coverage, and prioritizing customer retention.
- The company aims to scale its urban underserved channel, targeting digitally native customer segments and progressing toward the launch of 'self-serve V 1.0.'
- Avanti will collaborate with its channels to advance digital collections, further embedding digital solutions into its operations

These four tracks form the cornerstone of Avanti's FY26 strategy, laying the groundwork for profitable and scalable growth.

Avanti Platform

6.8K

Daily BW reports

336K

Queries per month

Avanti platform is a highly flexible, scalable, compliant, and continuously evolving digital infrastructure designed to facilitate financial inclusion by leveraging cutting-edge technology and a deep understanding of the underserved market.

Core Capabilities and 'Awesomeness'

Key functional modules include Digital Lending Organisation Management, a flexible Loan Product Maker allowing creation of custom loan products with zero engineering intervention, and compliant, validation-secured, and CRIF-enriched User and Household Onboarding. It determines creditworthiness using configurable risk models, enabling concurrent policy testing, especially for first-time borrowers.

The highly validated Loan Application Submission process is designed for speed and accuracy via penny drop verifications and e-signatures (Aadhaar or Avanti OTP). A continuously improving Loan Application Processing workflow handles tiered approvals, third-party validations (18 distinct external APIs) via robust API microservices like buffering, throttling, audit trails, retry engines, restructuring, and tranche disbursements. Document Management is comprehensive, supporting template customisation, vernacularization, digital signatures, and automated statement/NOC generation.

At its heart, the Hyper Flexible LMS is designed to handle a diversity of compounding methods, repayment periods, refunds, and write-offs using a nano-VM approach for each loan event. The Disbursal Manager smartly configures outbound fund transfers across channels and banks based on various inputs. The Avanti platform supports repayments through UPI QR, mandates, and cash, with auto-reconciliation. The continuously improving cash collection module tracks cash flow with 100% transparency via user wallets. Other capabilities include fund source management, self-serve options for borrowers, co-lending support, and an engine to retain good customers. An event-driven multi-channel communication manager keeps users informed across SMS, WhatsApp, and phone calls, supporting vernacular languages and multimedia.

Robust Tech Infrastructure and Capability

The Indihood meta platform provides Avanti a configurable UX, schema evolution without server releases and granular ACL settings, and Rapid workflow changes, maker-checker configs, and Report/Dashboard makers. A robust, massively scalable database and a multiple-times-daily refreshed Big Data warehouse power data-driven decision making. India-hosted Google Cloud servers, providing high availability (11 9s; >97% SLA) and durability. Security measures include firewalls, antivirus, database encryption, MFA, VPCs, DDoS protection, and Security

Command Center activation. High availability is ensured with RTO=0 for zonal failures and automated failover. Stateless services and circuit breakers prevent cascading failures. Scalability is achieved through auto-scaling, routine load testing, and maintained headroom above peak usage.

Compliance and Agility

Avanti continuously adheres to RBI, GoI, MEITY, Cybersecurity, TRAI, and Google Play guidelines. It is reflected in features like explicit T&C acceptance, compliant loan restructuring, all-inclusive APR display, PII data restrictions, and account deletion compliance.

”

"Avanti is a new dawn, a promise to India, the world's people that a reimagined lending business is possible, is scalable that will bring the same quality of lending to the smallest, least served borrowers that the best served today enjoy. Indihood is privileged to partner to together imagine, create, manifest this dream. An honor we don't take lightly. We will continue to be relentless in bringing this planet scale hourglass of lending to life."

- Indihood Pvt Ltd

Milestones for FY 26

25%

*share of New to credit
target customers*



28%

*of AUM from new
alternate channels*



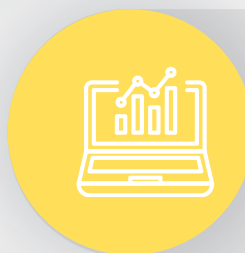
40%

*gross disbursement is
planned through new
products*



60%

*Digital collections
target by March 2026*



34%

*Share of Off-Balance
Sheet AUM by FY 26*



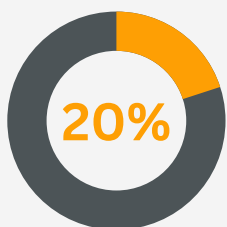


People and Culture

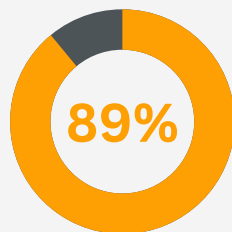
At Avanti, people are at the heart of the mission, with a young and dynamic team united by the aspiration to build a meaningful and inclusive financial system. The company's culture is anchored in ownership, mutual trust, and respect, guiding collaboration and growth at every level.

Avanti has built a gender-diverse workforce and actively nurtures an inclusive environment where everyone can thrive, supported by an open-door policy and flat organizational structure that encourages transparent communication and agility. Low attrition levels reflect Avanti's commitment to long-term alignment and an employee-first mindset, reinforced by a range of engagement initiatives such as regular town halls, peer recognition programs, and wellness activities.

Recognizing the importance of continuous learning, Avanti introduced structured development programs for new managers and emerging leaders, equipping its team with the skills and mindsets needed to succeed in a fast-changing environment. As the company scales, it remains dedicated to fostering a high-trust, high-impact culture where employees grow alongside the organization.



Female Employees



Retention Rate

Total
Employees

167

Average
Age

32 yrs





Impact and Inclusion

88

Net Promoter Score

As per the 'Client Satisfaction Survey' by 60Db, which covered six dimensions of financial inclusion: access, business impact, household impact, client protection, resilience, and agency. It also included insights on client satisfaction, profile, loan usage, and challenges that financial service providers will find actionable.

251K

NTC households

Providing credit to underserved users has always been our focus area. This not only provides our users a fair chance to correct their records but also creates an opportunity to restart their livelihoods and bring them into the fold of formal financial services.

15K Acres

Regenerative Agriculture

Avanti has financed 15,000 acres of regenerative agriculture, directly supporting the transition to environmentally sustainable and climate-resilient farming practices. By enabling regenerative methods, Avanti not only helps restore soil health and biodiversity but also empowers rural communities to build more secure and diversified livelihoods.

94%

EWS borrowers

93.9% of Avanti's borrowers belong to the Economically Weaker Sections (EWS) or lower income segments, underscoring deeper financial inclusion. This focus ensures that nearly all of Avanti's outreach is directed toward those most in need, reducing dependence on informal lenders and fostering greater financial stability within these communities.





ESG Initiatives

The ESG management framework adopted by Avanti is based on the “Universal Standards for Social and Environmental Performance Management,” which was created by Cerise and SPTF (Social Performance Task Force). Avanti’s ESG framework is aligned with strategic intent and operational goals, ensuring integration across all levels of the organization.



In **Environmental** performance, the company adopts responsible practices aimed at minimizing its ecological footprint. Key initiatives include promoting 100% paperless operations, encouraging green office practices, and promoting green financing activities. While the company’s environmental footprint may be limited due to the nature of its operations, it takes proactive steps to track financing of activities that impact the environment and exclude those with significantly adverse impacts.

On the **Social** front, the company demonstrates a strong focus on inclusivity and financial empowerment. Its strategy emphasises serving unserved and underserved populations, particularly women and rural communities. Products and services are designed to be affordable, flexible, and accessible, aligning with client needs and promoting financial inclusion. The Company also prioritises client protection through transparent communication, fair lending practices, and robust grievance redressal mechanisms. Internally, responsible human resource development is evident through employee engagement programs, inclusive hiring, continuous training, and policies that promote diversity and well-being.



Governance is a cornerstone of the company’s ESG strategy. Senior leadership plays an active role in defining and steering ESG objectives. The company has put in place a strong governance framework with clear policies, risk controls, and ethical standards. Regular monitoring, evaluation, and alignment with regulatory guidelines underscore its commitment to transparency and accountability. Dedicated ESG committees ensure ongoing oversight and responsiveness to emerging risks and opportunities. Continuous stakeholder engagement further strengthens the company’s ethical culture and fosters trust across the organization.





Notice of AGM

NOTICE is hereby given that the Ninth 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 26, 2025 at 12:30 p.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, 2025 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, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto be and hereby considered and adopted."

SPECIAL BUSINESS

2. **To take note of appointment of Ms. Roopa Satish (DIN: 07943586) as Nominee Director of the Company**

Ms. Roopa Satish was appointed as nominee director of the Company at the meeting of the Board held on April 30, 2025.

The members are requested to take note of the same.

3. **To approve re-appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and in line with the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the members be and is hereby accorded for the re-appointment of Mr. Subramaniam Somasundaram (DIN: 01494407)





as an Independent Director of the Company, for a second term of 3 (three) consecutive years with effect from July 12, 2025.

RESOLVED FURTHER THAT the Members hereby take note and affirm that Mr. Subramaniam Somasundaram continues to meet the criteria of independence as prescribed under Section 149(6) of the Act and is not disqualified from being appointed as a director under the applicable provisions of the Act.

RESOLVED FURTHER THAT each of the Directors and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution including filing of requisite forms and to sign, issue and deliver a certified true copy of the foregoing resolution to the concerned person/authority, as may be required, in this regard."

4. To approve re-appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and in line with the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, approval of the members be and is hereby accorded for the re-appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company, for a second term of 3 (three) consecutive years with effect from July 12, 2025.

RESOLVED FURTHER THAT the Members hereby take note and affirm that Ms. Sukanya Kripalu continues to meet the criteria of independence as prescribed under Section 149(6) of the Act and is not disqualified from being appointed as a director under the applicable provisions of the Act.

RESOLVED FURTHER THAT each of the Directors and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution including filing of requisite forms and to sign, issue and deliver a certified true copy of the foregoing resolution to the concerned person/authority, as may be required, in this regard."





For Avanti Finance Private Limited

Sd/-

Name: Ms. Urvashi P. Bahirsheth

Designation: Company Secretary and CCO

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 19, 2025

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 THE MINISTRY OF CORPORATE AFFAIRS PURSUANT TO THE GENERAL CIRCULAR NO.14/2020 DATED 08.04.2020, 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, GENERAL CIRCULAR NO 03/2022 DATED 05.05.2022, GENERAL CIRCULAR NO.11/2022 DATED 28.12.2022,GENERAL CIRCULAR NO 09/2023 DATED 25.09.2023 AND GENERAL CIRCULAR NO 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. 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
- iii. 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.
- iv. 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 080-43722581.
- v. 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 a strong internet signal/ network.

b) Voting:

• • • • •
• • • • •

- i. In case a poll is demanded, the 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 the 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, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	√	
2. To take note of appointment of Ms. Roopa Satish (DIN: 07943586) as Nominee Director of the Company	√	
3. To approve re-appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company	√	
4. To approve re-appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company	√	

Example 2: Using the 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, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	100	
2. To take note of appointment of Ms. Roopa Satish (DIN: 07943586) as Nominee Director of the Company	100	
3. To approve re-appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company	100	
4. To approve re-appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company	100	



c) Other instructions/ information:

- i. Members are requested to address all communications through their registered e-mail id only.
- ii. Pursuant to General Circular 20/2020 dated 5th May, 2020, the Annual Report of the Company i.e. Financial statements (including Board's report, Auditor's report and other documents required to be attached therewith) are being sent through e-mail only and no separate physical copy of the same shall be dispatched to any member.
- iii. In case 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.





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

Item No. 2

To take note of appointment of Ms. Roopa Satish (DIN: 07943586) as Nominee Director of the Company

Pursuant to the Shareholders' Agreement dated March 24, 2025, as amended from time to time, Oikocredit Ecumenical Development Cooperative Society U.A had nominated Ms. Roopa Satish (DIN: 07943586), as Nominee Director of the Company, Accordingly, Ms. Roopa Satish was appointed as a Nominee Director by the Board in its meeting held on April 30, 2025.

Item No. 3

To approve re-appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as Independent Director of the Company

The members are informed that based on the recommendation of the Nomination and Remuneration Committee ('NRC') and the Board of Directors of the Company it is proposed to reappoint Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company for a second term of 3 consecutive years with effect from July 12, 2025, considering his valuable contributions during his tenure, along with his extensive experience, knowledge and professional conduct in discharging his responsibilities as an Independent Director.

It is further informed that the NRC and the Board have evaluated the performance and confirmed the continued eligibility of Mr. Subramaniam Somasundaram in accordance with the statutory requirements and the Company's internal framework. The requisite consent, disclosures and declarations in compliance with the provisions of the Companies Act, 2013 has been received from the aforesaid director. This appointment 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:

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;
- 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. 3 of the Notice for your approval by way of special resolution.

Item No. 4

To approve re-appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company

The members are informed that based on the recommendation of the Nomination and Remuneration Committee ('NRC') and the Board of Directors of the Company it is proposed to reappoint Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company for a second term of 3 consecutive years with effect from July 12, 2025, considering her valuable contributions during her tenure, along with her extensive experience, knowledge and professional conduct in discharging her responsibilities as an Independent Director.

It is further informed that the NRC and the Board have evaluated the performance and confirmed the continued eligibility of Ms. Sukanya Kripalu in accordance with the statutory requirements and the Company's internal framework. The requisite consent, disclosures and declarations in compliance with the provisions of the Companies Act, 2013 has been received from the aforesaid director. This appointment 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:

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;
- 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. 4 of the Notice for your approval by way of special resolution.

For Avanti Finance Private Limited

Sd/-

Name: Ms. Urvashi P. Bahirsheth

Designation: Company Secretary and CCO

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 19, 2025

Place: Bengaluru





Directors Report

To

The Members of **AVANTI FINANCE PRIVATE LIMITED**

The Directors are pleased to present the Ninth annual report with the audited financial statements of the Company for the year ended on March 31, 2025.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	38,949.91	25,073.59	39,135.23	25,181.75
Other Income	315.80	27.96	322.51	27.96
Total Income	39,265.71	25,101.55	39,457.74	25,209.71
Total Expenses	51,463.38	26,485.22	51,579.82	26,527.81
Profit/(Loss) before Tax	(12,197.67)	(1,383.67)	(12,122.08)	(1,318.10)
Provision for Taxation (net)	0.00	0.00	0.00	0.00
Profit/(Loss) after Tax	(12,197.67)	(1,383.67)	(12,122.08)	(1,318.10)



STATE OF THE COMPANY'S AFFAIRS / OPERATION REVIEW:

During the year ended March 31, 2025, 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, 2025	For the year ended March 31, 2024	% change	For the year ended March 31, 2025	For the year ended March 31, 2024	% change
1,53,450.70	92,959.43	65.07	1,54,549.10	93,780.75	64.80

In the context of a turbulent year for the entire microfinance industry, Avanti Finance displayed resilience and agility. While the industry grappled with declining AUM to the tune of 10-30%, Avanti emerged stronger on the back of its strong risk management, governance and long term growth strategy. We are pleased to report an AUM growth of 11% in FY 25.

FY25 was a pivotal year in Avanti's journey, we reached the milestone of 1 million loans, adding over 300,000 borrowers during the year. We also made a new high on digital collections (43% in Mar-25 vs 31% in Mar-24) making us one of the fastest growing NBFCs in the country. In line with our plan for the year, we expanded into 1 more state, added 45 new districts and 15 Partners. As part of our strategy to transition into multi product and multi channel, we are happy to report that Avanti made steady progress across MSME, IBL, EWA and STPL products across its Urban Underserved and D2C channel further strengthening our mission to enable financial inclusion for underserved and unserved segments. Over 22% of our customers are new to credit, and around 90% are women—a strong validation of our inclusive outreach. The Company maintained its credit rating of BBB+ stable.

DIVIDEND:

The Board of Directors do not recommend any dividend for the year ended on March 31, 2025.

AMOUNT TRANSFERRED TO RESERVES:

The Company has transferred INR 1.84 crores to ESOP reserves during the year under review.

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.



During the year under review, your Company has not availed any unsecured loans.

CHANGES IN SHARE CAPITAL:

Authorised share capital:

As on March 31, 2025, the Authorised Share Capital of the Company stood at INR 4,85,70,00,000 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,
- (v) 5,72,00,000 Series B CCPS of face value of INR 10/- each,
- (vi) 1,50,00,000 Series B1 CCPS of face value of INR 10/- each,
- (vii) 2,50,00,000 Series B2 CCPS of face value of INR 10/- each, and
- (viii) 6,50,00,000 Series B3 CCPS of face value of INR 10/- each.

During the year under review, the following changes were made to the Authorised Share Capital:

- Pursuant to the approval of the shareholders at the Extraordinary General Meeting held on May 07, 2024, the Authorised Share Capital was increased from INR 3,80,70,00,000 to INR 3,95,70,00,000 by introducing 1,50,00,000 Series B1 CCPS of face value of INR 10/- each.
- Pursuant to the approval of the shareholders at the Extraordinary General Meeting held on August 27, 2024, the Authorised Share Capital was increased from INR 3,95,70,00,000 to INR 4,20,70,00,000 by introducing 2,50,00,000 Series B2 CCPS of face value of INR 10/- each.
- Pursuant to the approval of the shareholders at the Extraordinary General Meeting held on March 22, 2025, the Authorised Share Capital was increased from INR 4,20,70,00,000 to INR 4,85,70,00,000 by introducing 6,50,00,000 Series B3 CCPS of face value of INR 10/- each.

Paid-up share capital:

As on March 31, 2025, the Paid-up share capital of the Company was INR 4,70,43,69,480 divided into:

- (i) 15,09,07,193 equity shares of face value of INR 10/- each,





- (ii) 11,24,00,000 Series A CCPS of face value of INR 10/- each,
- (iii) 1,86,00,000 Series A1 CCPS of face value of INR 10/- each,
- (iv) 3,20,00,000 Bridge CCPS of face value of INR 10/- each,
- (v) 5,71,22,955 Series B CCPS of face value of INR 10/- each,
- (vi) 1,42,80,739 Series B1 CCPS of face value of INR 10/- each,
- (vii) 1,36,93,628 Series B2 Tranche 1 CCPS of face value of INR 10/- each,
- (viii) 64,92,431 Series B2 Tranche 2 CCPS of face value of INR 10/- each, and
- (ix) 6,49,40,002 Series B3 CCPS of face value of INR 10/- each.

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

Date of allotment	Name of the shareholder(s)	Number of shares allotted
May 21, 2024	MI India Capital And Investment Private Limited	1,39,32,428 Series B1 CCPS of face value of INR 10/- each
May 21, 2024	Mr. Naveen Kukreja	3,48,311 Series B1 CCPS of face value of INR 10/- each
September 02, 2024	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	35,99,022 Series B2 Tranche 1 CCPS of face value of INR 10/- each
September 02, 2024	Rabo Partnerships B.V.	21,59,413 Series B2 Tranche 1 CCPS of face value of INR 10/- each
September 02, 2024	Mr. Kewal Krishan Nohria	8,67,234 Series B2 Tranche 1 CCPS of face value of INR 10/- each
September 02, 2024	Mr. Ajay Kumar Aggarwal	17,34,469 Series B2 Tranche 1 CCPS of face value of INR 10/- each
September 02, 2024	Mr. Rajat Goenka	8,67,234 Series B2 Tranche 1 CCPS of face value of INR 10/- each
September 02, 2024	SAK Industries Private Limited	8,67,234 Series B2 Tranche 1 CCPS of face value of INR 10/- each
September 19, 2024	IDH Farmfit Fund B.V.	35,99,022 Series B2 Tranche 1 CCPS of face value of INR 10/- each





November 22, 2024	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	29,44,655 Series B2 Tranche 2 CCPS of face value of INR 10/- each
November 22, 2024	Mr. Ajay Kumar Aggarwal	14,19,111 Series B2 Tranche 2 CCPS of face value of INR 10/- each
November 22, 2024	Mr. Rajat Goenka	7,09,555 Series B2 Tranche 2 CCPS of face value of INR 10/- each
November 22, 2024	SAK Industries Private Limited	7,09,555 Series B2 Tranche 2 CCPS of face value of INR 10/- each
December 12, 2024	Mr. Kewal Krishan Nohria	7,09,555 Series B2 Tranche 2 CCPS of face value of INR 10/- each
March 28, 2025	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	5,00,00,000 Series B3 CCPS of face value of INR 10/- each
March 28, 2025	Rabo Partnerships B.V.	56,02,501 Series B3 CCPS of face value of INR 10/- each
March 28, 2025	IDH Farmfit Fund B.V.	93,37,501 Series B3 CCPS of face value of INR 10/- each

LISTING OF NON CONVERTIBLE DEBENTURES ON BOMBAY STOCK EXCHANGE

During the year under review, the Company successfully listed its Non-convertible Debentures (NCDs) on the Bombay Stock Exchange (BSE) in October 2024. This marks a significant step in enhancing transparency, gaining investor confidence and access to a wider capital market base.

The NCDs were issued on a private placement basis and were subsequently listed. The details of the listed NCDs are provided below:





ISIN	Date of Allotment	Number of Debentures	Issue Price	Coupon Rate (%)	Maturity Date	Amount of Debentures (INR)
INE0BNQ07113	September 30, 2024	2500	1,00,000	10.90	September 30, 2026	25,00,00,000
INE0BNQ07121	December 27, 2024	5000	1,00,000	10.90	December 27, 2026	50,00,00,000

The proceeds from the NCD issuance have been deployed in accordance with the objects stated in the offer documents and all regulatory and disclosure requirements have been duly complied with.

CAPITAL ADEQUACY

The Company continues to maintain a healthy capital adequacy ratio of 26.72% as at March 31, 2025 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:





There were no material changes or commitments which affected the financial position of the Company between the end of the financial year and the date of this report.

DIRECTORS, KEY MANAGERIAL PERSONNEL:

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

- Mr. Jeroen Meerburg (DIN: 10684231) was appointed as a Nominee director representing Rabo Partnerships B.V. with effect from August 24, 2024.
- Mr. Anirudh Jagdish Sarda (DIN: 06453012) resigned from the position of Nominee Director representing Oikocredit, Ecumenical Development Cooperative Society U.A. with effect from December 13, 2024.

Demise of Director

The Company deeply regrets the sad demise of Mr. Ratan Naval Tata, Promoter and Director of the Company, who passed away on October 09, 2024. He was a co-founder of the Company and played a pivotal role during the inception of the Company with his visionary leadership and guidance.

The Board places on record its profound appreciation and gratitude for the invaluable contributions made by Mr. Tata during his association with the Company. His presence and wisdom will be immensely missed by the Board, management and employees of the Company.

Accordingly, as on March 31, 2025, the Board of Directors of your Company comprised of 7 Directors namely:

- Dr. Vijay Laxman Kelkar (DIN: 00011991),
- Mr. Nandan Mohan Nilekani (DIN:00041245),
- Mr. Subramaniam Somasundaram (DIN: 01494407)
- Ms. Sukanya Kripalu (DIN: 06994202)
- Ms. Bindu Ananth (DIN: 02456029),
- Mr. Jeroen Meerburg (DIN: 10684231), and
- Mr. Rahul Gupta (DIN: 09247626).

Further, Mr. Sushil Thaker was appointed as the Chief Financial Officer of the Company on December 23, 2024. Ms. Urvashi Prafulla Bahirsheth continues to serve as the Company Secretary and Chief Compliance Officer of the 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 2024-25, confirming that they meet the criteria of independence specified under Section 149(6) 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.

MEETING OF BOARD OF DIRECTORS:

During the financial year 2024-25, 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 29, 2024	8	5	62.5
ii.	May 23, 2024	8	4	50
iii.	August 24, 2024	9	5	55.5
iv.	September 26, 2024	9	4	44.4
v.	November 08, 2024	8	7	87.5
vi.	November 12, 2024	8	5	62.5
vii.	February 12, 2025	7	5	71.4
viii.	March 21, 2025	7	6	85.7

Details of Committee Meetings held during FY 2024-25:

Sr. No.	Name of the Committee	Date(s) of Meeting	Total Meetings
i.	Audit Committee	April 24, 2024	5
		August 24, 2024	
		September 26, 2024	
		November 12, 2024	





		February 12, 2025	
ii.	Risk Management Committee Meeting	April 24, 2024	4
		September 30, 2024	
		December 19, 2024	
		March 19, 2025	
iii.	Nomination and Remuneration Committee	May 06, 2024	1
iv.	IT Strategy Committee	June 27, 2024	4
		September 30, 2024	
		December 19, 2024	
		March 18, 2025	
v.	Finance Committee	May 27, 2024	4
		September 30, 2024	
		December 16, 2024	
		December 18, 2024	
vi.	Committee of the Executives (as per Master Directions on Fraud Risk Management in Non-Banking Financial Companies)	March 18, 2025	1

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 September 27, 2024 (Y/N)
		No. of Meetings which director was	No. of Meeting attended	% of attendance	No. of Meetings which director was	No. of Meeting attended	% of attendance	





		entitled to attend			entitled to attend			
1.	Mr. Ratan Naval Tata*	4	0	0	NA	NA	NA	N
2.	Dr. Vijay Laxman Kelkar	8	1	12.5	5	0	0	Y
3.	Mr. Nandan Mohan Nilekani	8	4	50	NA.	NA	NA	N
4.	Ms. Bindu Ananth	8	5	62.5	5	5	100	N
5.	Ms. Sukanya Kripalu	8	8	100	10	10	100	N
6.	Mr. Subramaniam Somasundaram	8	7	87.5	18	15	83.33	N
7.	Mr. Rahul Gupta	8	8	100	13	10	76.92	N
8.	Ms. Anirudh Jagdish Sarda**	6	3	50	3	0	0	N
9	Mr. Jeroen Meerburg***	5	5	100	1	1	100	N

* Mr. Ratan Naval Tata, upon his demise, ceased to be a Director w.e.f. October 09, 2024.

** Mr. Anirudh Jagdish Sarda resigned from the Board w.e.f. December 13, 2024.

*** Mr. Jeroen Meerburg was appointed on the Board w.e.f. August 24, 2024.

The 8th Annual General Meeting of the Company was held on September 27, 2024.

PARTICULARS OF EMPLOYEES:

During the year under review, your Company had 167 employees across its various geographical locations. 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 Prevention of 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 prevention of 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. A mandatory POSH training was conducted by Ms. Sowmya Lakshmi Bhat, Co - Founder, SASHA (Support Against Sexual Harassment at Workplace) on March 12, 2025 for both Avanti on-roll and off-roll employees to bring awareness and the importance of creating a safe and respectful work environment. The objective of the training was to create a safer, more respectful and legally compliant workplace, ultimately benefiting both employees and the organization as a whole.

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 Bahirsheth – Presiding Officer

Mr. Rahul Gupta – Member

Mr. Sunil Kumar Tadepalli – Member

Ms. Anuja Singh – External member

RISK MANAGEMENT:

The Microfinance Industry went through significant stress during the year which also impacted the Company's performance. The Company saw a considerable increase in delinquencies and NPA and ended the year at 4.75% Gross NPA. The Company also recorded a credit loss of INR 52.91 crores. The performance of the Company has been on par with the industry during this period. The Company has continued to focus on strengthening its risk and collections frameworks/processes during the year and these measures have ensured that the Company has been able to manage the higher delinquencies effectively.

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, Publishing Key Fact Statements, Information Technology Outsourcing etc. The Avanti technology platform as well as its operational processes have been modified / updated to ensure compliance with all the regulatory requirements. 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.

CORPORATE GOVERNANCE REPORT:

The Corporate Governance Report for the financial year 2024-25 as mentioned in Section II of Annexure VII - on Disclosure in Financial Statements - Notes to Accounts of NBFCs of Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, forms part of the Annual Report as **Annexure V**. The Corporate Governance Report contains Board Meeting held during the year 2024-25, statutory committee and other statutory details.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management discussion and analysis report for the financial year 2024-25 as mentioned in Annexure XXII- Indicative List of Balance Sheet Disclosure for NBFCs in Middle Layer and above of the Master Direction-Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, forms part of the Annual Report as **Annexure VI**.

INDIAN ACCOUNTING STANDARDS (IND AS):

The Company has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013, various regulatory guidelines to the extent relevant and applicable to the Company and in accordance with the generally accepted accounting principles in India.

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, 2025, which is commensurate with the size, scale and complexity of its operation.





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 Statutory Auditors in their report. However, the observations made by the Secretarial Auditors, along with the Directors' responses thereto, are detailed below:

Sr. No.	Observations raised by the Secretarial Auditor	Response by Directors
1.	During the period under review, the Company had made a delayed intimation under Regulation 8(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the Stock Exchanges for adoption of the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.	The delay was inadvertent and occurred due to an oversight. Upon identification, the Company took immediate corrective action and ensured compliance. The Company remains fully committed to adhering to all regulatory requirements in both letter and spirit and treats any lapse in compliance with utmost seriousness to prevent recurrence.
2.	The Company has filed certain forms as prescribed under RBI regulations belatedly (kindly refer Annexure B of the secretarial audit report appended herewith for details of delayed forms filed during the year).	The Company has streamlined the process of RBI reportings and has achieved success in timely filings. As on March 31, 2025, there were no pending delayed reportings. The Company remains committed to maintaining this standard and will continue to ensure timely and compliant reporting in the future

FRAUD REPORTING: FRAUD COMMITTED AGAINST THE COMPANY

The Company has adopted Fraud Risk Management Policy pursuant to the new RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) dated July 15, 2024 ('Master Directions').

The Company is diligently adhering to the processes outlined in the Master Directions, including the identification and classification of incidents as frauds, issuance of show cause notices and reasoned orders and the timely filing of Fraud Monitoring Reports (FMRs) with the RBI.

Further, to strengthen internal oversight and as mandated by the Master Directions, the Company has constituted a Committee of Executives on September 26, 2024 to monitor, review and assess the risks associated with the fraud incidents and to ensure appropriate remedial and preventive measures are undertaken.





For further details on frauds reported during the year, kindly refer to Note 72 of the Audited Financial Statements of the Company for FY 2024-25.

STATUTORY AUDITORS

Pursuant to provisions of Section 139, 141 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, (as maybe amended from time to time including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22) dated April 27, 2021, M/s Varma & Varma, Chartered Accountants (Firm registration number 004532S) have been appointed as Statutory Auditors of the Company to hold office for a term of 3 (three) years from the conclusion of the 8th Annual General Meeting (for financial year ended March 31, 2024) until the conclusion of the 11th Annual General Meeting (for financial year ended March 31, 2027) of the Company.

The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and RBI Guidelines to carry out the Statutory Audit of the Company.

SECRETARIAL AUDITORS

In pursuance to Section 204(1) of the Companies Act, 2013 read with rules made thereunder the Company has 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 2024-25. The Secretarial Audit Report for FY 2024-25 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**.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return for the financial year ended March 31, 2025 is hosted on the website of the Company and can be accessed at <https://www.avantifinance.in>

VIGIL MECHANISM





The Company has adopted the Vigil Mechanism / Whistle Blower Policy with a view to provide a formal mechanism to the directors and employees of the Company to report their concerns about unethical behavior, actual or suspected fraud amongst others. The Policy provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee.

Further, in regard to new initiatives, the Company had partnered with XLPro Corporate E-learning to conduct an e-learning module on 'Whistleblowing at Work' followed by a mandatory test to be undertaken by each employee of the Company.

The Vigil Mechanism / Whistle Blower Policy is available on the Company's website at <https://www.avantifinance.in>

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm and state that:

- i. In the preparation of the annual accounts for the year ended March 31, 2025, 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, 2025 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. However, the Company has appointed Mr. Sushil Thaker as the Chief Financial Officer of the Company on December 23, 2024.





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 441.61 lakhs in FY 2024-25.

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

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 27, 2025

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 27, 2025

Place: Bengaluru



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)	3,074.32
Total Assets (INR in lakhs)	1,001.82
Total Liabilities (INR in lakhs)	124.53
Investments	0
Turnover (INR in lakhs)	186.82
Profit before taxation (INR in lakhs)	76.19
Provision for taxation (INR in lakhs)	0
Profit after taxation (INR in lakhs)	76.19
Proposed dividend	0
% Shareholding	100%

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

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 27, 2025

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 27, 2025

Place: Bengaluru



Annexure II to Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[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, 2025 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, 2025 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
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 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*Not applicable to the Company during the audit period*);
 - (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 (*Not applicable to the Company during the audit period*);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);



- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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 *(Not applicable to the Company during the audit period;*
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not applicable to the Company during the audit period;*
 - (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 *(Not applicable to the Company during the audit period;* and
 - (k) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
 - (l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
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.
- (2) The Listing Agreement entered into by the Company with BSE Limited with respect to Non-Convertible Debentures issued by the Company read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i. During the period under review, the Company had made a delayed intimation under Regulation 8(2) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the Stock Exchanges for adoption of the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- ii. The Company has filed certain forms as prescribed under RBI regulations belatedly, details of which are mentioned under **Annexure B.**





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 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 the provisions of Section 203 are not applicable to the Company, however, the Company has designated employees as CEO and CFO voluntarily. In the opinion of the Company, since Section 203 is not applicable to the Company, the provisions of key managerial personnel are also not applicable.

We further report that during the period under review, the Company had received a Show Cause Notice for violation of Regulation 60(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 levying penalty, however, the penalty was waived off subsequently by Bombay Stock Exchange ('BSE').

We further report that during the audit period:

1) The Company had issued/ allotted the following securities:

Sr. No.	Date	Particulars	No. of securities
1.	21-05-2024	Fully paid-up series B1 compulsorily convertible preference shares ("Series B1 CCPS") of Rs. 10 each allotted on private placement basis	1,42,80,739
2.	02-09-2024	Fully paid-up series B2 compulsorily convertible preference shares ("Series B2 CCPS") of Rs. 10 each allotted on private placement basis	1,00,94,606
3	19-09-2024	Fully paid-up series B2 compulsorily convertible preference shares ("Series B2 CCPS") of Rs. 10 each allotted on private placement basis	35,99,022
4	22-11-2024	Fully paid-up series B2 compulsorily convertible preference shares ("Series B2 CCPS") of Rs. 10 each allotted	57,82,876



		on private placement basis	
5	12-12-2024	Fully paid-up series B2 compulsorily convertible preference shares ("Series B2 CCPS") of Rs. 10 each allotted on private placement basis	7,09,555
6	28-03-2025	Fully paid-up series B3 compulsorily convertible preference shares ("Series B3 CCPS") of Rs. 10 each allotted on private placement basis	6,49,40,002
7	28-05-2024	Fully paid, rated, unlisted, senior, taxable, redeemable, non-convertible debentures ("Debentures") of Face value of Rs. 10,00,000	500
8	30-09-2024	Fully paid, rated, secured, listed, senior, taxable, redeemable, non-convertible debentures ("Debentures") of Face value of Rs. 1,00,000	2,500
9	27-12-2024	Fully paid secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debenture ("Debentures") of Face Value of Rs. 1,00,000	5,000

For RJSY & ASSOCIATES

Company Secretaries

Firm Registration No.: P2016MH057200

Harshini Parikh

Membership No.: A24652

Certificate of Practice No.: 27301

ICSI UDIN: A024652G000446062

Peer Review Number: 3117/2023

Place: Mumbai

Date: 26th May, 2025

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.



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

Harshini Parikh
Membership No.: A24652
Certificate of Practice No.: 27301
ICSI UDIN:

Peer Review Number: 3117/2023

Place: Mumbai

Date: 26th May, 2025



Annexure B

Sr. No.	Name of Form	Due Date	Date of filing
1.	DNBS 01-for the quarter ended June 2024	21-07-2024	31-07-2024
2.	DNBS 01-for the quarter ended September 2024	21-10-2024	22-10-2024
3.	DNBS 01-for the quarter ended December 2024	21-01-2025	27-01-2025
4.	DNBS 03-for the quarter ended June 2024	21-07-2024	31-07-2024
5.	DNBS 03-for the quarter ended September 2024	21-10-2024	11-11-2024
6.	DNBS 04A-for the quarter ended September 2024	21-10-2024	11-11-2024
7.	DNBS 04B-for the month ended August 2024	15-09-2024	16-09-2024
8.	DNBS 04B-for the month ended December 2024	15-01-2025	17-01-2025

There have also been instances of delayed filing in Form DNBS- 09 Returns during the period under audit.

For RJSY & ASSOCIATES

Company Secretaries

Firm Registration No.: P2016MH057200

Harshini Parikh

Membership No.: A24652

Certificate of Practice No.: 27301

ICSI UDIN:

Peer Review Number: 3117/2023

Place: Mumbai

Date: 26th May, 2025

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, 2025 (Amount in INR)
i.	Earnings in Foreign Exchange [Actual Inflow] This information needs actual inflow and not based on accrual basis.	Nil



ii.	Expenditure in Foreign Currency [Actual Outflows] This information needs actual outflow and not based on accrual basis.	1,16,03,095

On behalf of Board of Directors

Avanti Finance Private Limited

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 27, 2025

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 27, 2025

Place: Bengaluru



Annexure IV to Directors' Report

DETAILS ABOUT 2020 AVANTI EMPLOYEE STOCK OPTION PLAN (2024-2025)

Sr. No.	Particulars	Disclosure
1.	Options Granted	14,17,294 (during the year 2024-25)
2.	Options Vested	2,44,71,222 (as on March 31, 2025)
3.	Options Exercised	0
4.	The total number of shares arising as a result of exercise of option	0
5.	Options Lapsed	13,932 (as on March 31, 2025)
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 differs based on time and performance.
8.	Money realized by exercise of options	0
9.	Total number of options in force	3,97,91,102 (as on March 31, 2025)
10.	Employee wise details of options granted to	
i.	Key managerial personnel – Ms. Urvashi Prafulla Bahirsheth, Company Secretary	47,700
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. Sashi Pandey 2. Mr. Amit Nahar 3. Mr. Swapnil Dixit



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	None
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On behalf of Board of Directors

Avanti Finance Private Limited

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 27, 2025

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 27, 2025

Place: Bengaluru



Annexure V - 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	Dr. Vijay Laxman Kelkar	August 01, 2016	Non-Executive Director	00011991	2	8,74,562 Equity Shares
2	Mr. Nandan Mohan Nilekani	August 01, 2016	Non-Executive Director	00041245	5	-
3	Ms. Bindu Ananth	September 30, 2021	Nominee Director	02456029	6	-
4	Ms. Sukanya Kripalu	July 13, 2022	Independent Director	06994202	9	-
5	Mr. Subramaniam Somasundaram	July 13, 2022	Independent Director	01494407	7	-
6	Mr. Rahul Gupta	July 13, 2022	Director and Chief Executive Officer	09247626	1	-
7	Mr. Jeroen Meerburg	August 24, 2024	Nominee Director	10684231	1	-



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 29, 2024	8	5	62.5
2	May 23, 2024	8	4	50
3	August 24, 2024	9	5	55.5
4	September 26, 2024	9	4	44.4
5	November 08, 2024	8	7	87.5
6	November 12, 2024	8	5	62.5
7	February 12, 2025	7	5	71.4
8	March 21, 2025	7	6	85.7

C. Attendance of the Board of Directors

Sl. No.	Name of the Director	Number of Board Meetings			Whether attended last AGM held on September 27, 2024 (Yes/No/NA)
		Entitled	Attended	% of attendance	
1	Mr. Ratan Naval Tata*	4	0	0	No
2	Dr. Vijay Laxman Kelkar	8	1	12.5	Yes
3	Mr. Nandan Mohan Nilekani	8	4	50	No
4	Ms. Bindu Ananth	8	5	62.5	No
5	Ms. Sukanya Kripalu	8	8	100	No
6	Mr. Subramaniam Somasundaram	8	7	87.5	No
7	Mr. Rahul Gupta	8	8	100	No
8	Mr. Anirudh Jagdish Sarda**	6	3	50	No
9	Mr. Jeroen Meerburg***	5	5	100	No





* Mr. Ratan Naval Tata, upon his demise, ceased to be a Director w.e.f. October 09, 2024.

** Mr. Anirudh Jagdish Sarda resigned from the board w.e.f. December 13, 2024.

*** Mr. Jeroen Meerburg was appointed on the board w.e.f. August 24, 2024.

The 8th Annual General Meeting of the Company was held on September 27, 2024.

D. Remuneration to the Board of Directors

The Company has not paid any remuneration (except for sitting fees) to its non-executive directors during the financial year 2024-25. The details of the payment made is as follows:

(Rs. in lakhs)

Sl. No.	Name of the Director	Salary and Other compensation	Sitting Fees	Commission
1	Ms. Sukanya Kripalu	Nil	14.25	Nil
2	Mr. Subramaniam Somasundaram	Nil	15.00	Nil

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	Ms. Roopa Satish	Nominee Director	Appointment	April 30, 2025
2	Mr. Anirudh Jagdish Sarda	Nominee Director	Resignation	December 13, 2024
3	Mr. Ratan Naval Tata	Promoter / Director	Demise	October 09, 2024
4	Mr. Jeroen Meerburg	Nominee Director	Appointment	August 24, 2024

F. Committees of the Board and their composition

1. Audit Committee





As on March 31, 2025, the Audit Committee comprises members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2024-25, the Audit Committee met 5 (Five) times on April 24, 2024, August 24, 2024, September 26, 2024, November 12, 2024 and February 12, 2025. 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
				Entitled	Attended	
1	Mr. Subramaniam Somasundaram	July 20, 2022	Chairperson – Independent Director	5	5	-
2	Ms. Sukanya Kripalu	July 20, 2022	Member - Independent Director	5	5	-
3	Dr. Vijay Laxman Kelkar	July 20, 2022	Member - Non-executive Director	5	0	8,74,562

Terms of reference:

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

2. Risk Management Committee

As on March 31, 2025, the Risk Management Committee comprises members as stated below. The composition of the Committee is in conformity with the regulatory requirements.





During the financial year 2024-25, the Risk Management Committee met 4 (Four) times on April 24, 2024, September 30, 2024, December 19, 2024 and March 19, 2025. 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
				Entitled	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	3	-

Note: Mr. Anirudh Jagdish Sarda, upon his resignation from the Board of the Company, ceased to be a member of the Committee as on December 13, 2024.

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, 2025, the Nomination and Remuneration Committee comprises members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2024-25, the Nomination and Remuneration Committee met 1 (One) time on May 06, 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
				Entitled	Attended	
1	Ms. Sukanya Kripalu	July 20, 2022	Chairperson - Independent Director	1	1	-
2	Mr. Subramaniam Somasundaram	July 20, 2022	Member - Independent Director	1	1	-
3	Ms. Bindu Ananth	July 20, 2022	Member – Nominee Director	1	1	-

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, 2025, the IT Strategy Committee comprises members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2024-25, the IT Strategy Committee met 4 (Four) times on June 27, 2024, September 30, 2024, December 19, 2024 and March 18, 2025. 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
				Entitled	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	3	-
3	Mr. Anirudh Jagdish Sarda*	June 26, 2024	Member - Nominee Director	2	0	-
4	Mr. Jeroen Meerburg**	February 12, 2025	Member – Chief Risk Officer	1	1	-
5	Mr. Manish Thakkar	March 13, 2023	Member – Chief Operating Officer	4	4	-
6	Mr. Nagaraj Subrahmanya	March 13, 2023	Member – Chief Risk Officer	4	4	-
7	Mr. Sunil Kumar Tadepalli	March 13, 2023	Member – Chief of Partnerships	4	2	-
8	Mr. Lalitesh Katragadda	March 13, 2023	Member – Chief Product Officer	4	3	17,50,000

** Mr. Anirudh Jagdish Sarda, upon his resignation from the Board of the Company, ceased to be a member of the Committee as on December 13, 2024.*

*** Mr. Jeroen Meerburg was appointed as a member of the Committee w.e.f. February 12, 2025*

Terms of reference:

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





5. Finance Committee

As on March 31, 2025, the Finance Committee comprises members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2024-25, the Finance Committee met 4 (Four) times on May 27, 2024, September 30, 2024, December 16, 2024 and December 18, 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
				Entitled	Attended	
1	Mr. Subramaniam Somasundaram	May 27, 2024	Chairperson – Independent Director	4	2	-
2	Mr. Rahul Gupta	May 27, 2024	Member – Executive Director and Chief Executive Officer	4	3	-
3	Mr. Manish Thakkar	May 27, 2024	Member – Chief Operating Officer	4	4	-
4	Mr. Nagaraj Subrahmanya	May 27, 2024	Member – Chief Risk Officer	4	4	-

Terms of reference:

- To authorize and approve borrowings, approve, finalise and execute documents for such borrowings, within the overall borrowing limit approved by the Board of Directors of the Company and Shareholders, subject to the thresholds mentioned therein
- to invest funds of the Company, approve, finalise and execute documents for such investments
- to grant loans or give guarantee or provide security in respect of loans and approve, finalise and execute documents for such grant
- to approve issuance of non-convertible debentures via private placement, approve, finalise and execute transaction documents with respect to such issuance, subject to the limits approved by the Board and shareholders of the Company
- any other item as may be decided by the Board



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6. Committee of the Executives (as per Master Directions on Fraud Risk Management in Non-Banking Financial Companies)

As on March 31, 2025, the Committee of the Executives comprises members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2024-25, the Committee of the Executives met 1 (One) time on March 18, 2025. 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
				Entitled	Attended	
1	Mr. Rahul Gupta	September 26, 2024	Chairperson – Executive Director and Chief Executive Officer	1	1	-
2	Mr. Manish Thakkar	September 26, 2024	Member – Chief Operating Officer	1	1	-
3	Mr. Nagaraj Subrahmanya	September 26, 2024	Member – Chief Risk Officer	1	1	-
4	Ms. Sharmila Kunguma	September 26, 2024	Member – Chief of Internal Audit	1	0	-
5	Ms. Urvashi Bahirsheth	September 26, 2024	Member – Company Secretary and Chief Compliance Officer	1	1	

Terms of reference:

- a) To take stock of incidents categorized as fraud.
- b) To monitor and follow up on cases categorized as fraud.
- c) To review the status of FMR1 filing and update on FMR3
- d) Review the effectiveness of Fraud Risk Management in the organization
- e) Assist the board in achieving its responsibilities regarding control monitoring.
- f) To review root cause analysis of the fraud incidents and provide mitigative measures to enhance effective internal controls, risk management and minimize incidents of fraud.
- g) To promote accountability and responsibility in Internal control matters.
- h) To constitute a transparent mechanism to ensure that Whistle Blower complaints on possible fraud cases / suspicious activities in account(s) are examined and concluded appropriately under their Whistle Blower Policy.



- i) Assessment of control framework of the company, including compliance, assurance, financial crime prevention, managing conflicts of interest, adherence to ethical principles and independence.
- j) To facilitate timely communication and corrective action.

Note: In accordance with applicable RBI regulations and as part of the Company's commitment to sound corporate governance, the Company has constituted the following management committees:

1. Asset-Liability Management Committee
2. IT Steering Committee
3. Information Security Committee
4. Whistle Blower Committee
5. Internal complaints committee
6. Credit Committee of Executives
7. Employee Stock option Committee-I
8. Outsourcing and Procurement Committee

G. General Body Meetings

During the financial year 2024-25, 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	May 07, 2024 via video conference	1. To approve execution and performance of the Series B1 securities subscription agreement and shareholders' agreement and other transaction documents 2. To: (a) approve the issuance of Series B1 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B1 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B1 CCPS Offer Letter'); (c) authorise the Directors to issue and execute the Offer Letter
2	EGM	May 27, 2024 via video conference	1. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company 2. To approve the overall limit for issue of Non-Convertible Debentures on a private placement basis





			3. To approve the appointment of an observer on the Board of the Company as nominated by MI India Capital and Investment Private Limited 4. To approve grant of unconditional and irrevocable corporate guarantee under co-lending arrangements
3	EGM	August 27, 2024 via video conference	1. To approve execution and performance of the Series B2 securities subscription agreement, shareholders' agreement and other transaction documents 2. To: (a) approve the issuance of Series B2 Tranche 1 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
4	8 th AGM	September 27, 2024 via video conference	1. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company 2. 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
5	EGM	November 12, 2024 via video conference	1. To revoke the earlier offer for issue of Series B2 Tranche 2 Subscription Securities 2. 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





6	EGM	March 22, 2025 via video conference	1. To approve execution and performance of the Series B3 securities subscription agreement, amendment agreement to Series B2 securities subscription agreement, restated shareholders' agreement and other transaction documents 2. To: (a) approve the issuance of Series B3 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B3 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B3 CCPS Offer Letter'); (c) authorise the Directors to issue and execute the Offer Letter
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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

A. Fine related to Borrower complaint

Nature of complaint	Category of borrower	Compensation Paid	Payment date
Bureau Related	Urban Underserved	4,700	April 3, 2025
Bureau Related	Urban Underserved	2,600	March 7, 2025
Bureau Related	Urban Underserved	2,900	March 7, 2025

B. Fine related to delay in filing FC-GPR

There was a delay in the filing of Form FC-GPR with the RBI in respect of the investment amount for subscription of CCPS received from IDH Farmfit Fund B.V., bearing reference number FCGPR1224186856. The details of the transaction and the fine paid is as follows:

Particulars	Remarks
Details of Investor	IDH Farmfit Fund B.V.
Consideration paid by Investor	INR 11,41,24,987.62
Number of CCPS subscribed	35,99,022





Nature of Issue	Private Placement
Fine paid	INR 12,400
Payment mode	Demand draft in favour of Bangalore Regional Office Reserve Bank of India
Payment date	January 15, 2025

Apart from the above fines, there were no other fines/penalties paid by the Company during the year 2024-25.

J. Breach of Covenants

As on 31.03.2025, there is one breach in each of the two debt transactions documents. The details are below.

Name of Institute	Financial Covenant	Current status	Corrective Actions
Federal Bank Limited	PAR < 7% in retail book	12.72%	We are actively increasing our efforts on collections to reduce past due accounts (PAR) numbers. Additionally, we are cautiously expanding our book size to improve our PAR percentage. These measures are part of our commitment to restore the covenant promptly.
Incred Financial Services Limited	PAR 30+ below 7%	8.81%	

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 was mandated.

On behalf of Board of Directors

Avanti Finance Private Limited

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 27, 2025

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 27, 2025

Place: Bengaluru



Annexure VI - Management Discussion and Analysis

Industry Overview:

FY 2024-25 was an eventful year for the rural lending and microfinance sector. What was initially perceived as a short-term disruption due to heatwaves and cyclicity resulting in lower collection efficiencies in Q1, evolved into a large-scale stress by the end of Q2. Portfolio quality across the sector began to deteriorate, with rising delinquencies and stress emerging in several geographies. This was further propelled by the increased instances of activism across a couple of states that have a key share of the overall rural micro AUM. Most Banks, NBFCs, SFBs, MFIs, social organisations started to acknowledge this issue starting Q2. This affected the sector's profitability (most MFIs started reporting losses from Q2 until Q4), capital position leading to instances of covenant breaches, further impacting liquidity in this sector. Several lenders experienced reduced access to growth capital, especially the smaller players (<INR 200Cr AUM). As a result, disbursement volumes started to get impacted too. According to CRIF's report, the gross loan portfolio of the MFI sector had contracted by over 14% YoY, volumes were down 38% YoY and the number of unique active loan accounts declining by 14%, all of this signalling the extent and scale of this issue.

In response, both self-regulatory organizations, Sa-Dhan and MFIN - stepped up engagement with stakeholders, including regulators and lenders. Their timely efforts to control damage, enhance visibility and guide players were well-received and contributed to the sectoral recovery. The regulator also responded with policy-level interventions aimed at injecting liquidity into the sector, which is expected to provide much-needed relief to struggling lenders. These combined efforts led to early signs of stabilization. By Q4, the sector began to witness marginal improvements in collection efficiencies, suggesting a gradual return to normalcy. This was evident with PAR 1-30 improving by 0.4% QoQ. While challenges remain, the coordinated response from the industry and regulators has laid the foundation for a cautious yet optimistic outlook for FY 2025-26.

Avanti's Business Performance:

In the context of a turbulent year for the entire microfinance industry, Avanti Finance displayed resilience and agility. While the industry grappled with declining AUM to the tune of 10-30%, Avanti emerged stronger on the back of its strong risk management, governance and long term growth strategy. We are pleased to report an AUM growth of 11% in FY 25.

FY25 was a pivotal year in Avanti's journey, we reached the milestone of 1 million loans, adding over 300,000 borrowers during the year. We also made a new high on digital collections (43% in Mar-25 vs 31% in Mar-24) making us one of the fastest growing NBFCs in the country. In line with our plan for the year, we expanded into 1 more state, added 45 new districts and 15 Partners. As part of our strategy to transition into multi product and multi-channel, we are happy to report that Avanti made steady progress across MSME, IBL,



EWA and STPL products across its Urban Underserved and D2C channel further strengthening our mission to enable financial inclusion for underserved and unserved segments. Over 22% of our customers are new to credit, and around 90% are women—a strong validation of our inclusive outreach.

Segment-wise or product-wise performance

(INR crores)

Segment	Disbursement in FY 25	AUM in FY 25	30+ DPD	90+ DPD
Retail	1,583.02	1,494.39	126.96	62.24
Institutional	46.21	39.47	0	0

Technology and Innovation

Brief

Avanti platform is a highly flexible, scalable, compliant, and continuously evolving digital infrastructure designed to facilitate financial inclusion by leveraging cutting-edge technology and a deep understanding of the underserved market.

Core Capabilities and 'Awesomeness'

Key functional modules include Digital Lending Organisation Management, a flexible Loan Product Maker allowing creation of custom loan products with zero engineering intervention, and compliant, validation-secured and CRIF-enriched User and Household Onboarding. It determines creditworthiness using configurable risk models, enabling concurrent policy testing, especially including the first time borrowers.

The highly-validated Loan Application Submission process is designed for speed and accuracy via penny drop verifications, and e-signatures (Aadhaar or Avanti OTP). A continuously improving Loan Application Processing workflow handles tiered approvals, third-party validations (18 distinct external APIs) via robust API microservices like buffering, throttling, audit trails and retry engines, restructuring and tranche disbursals. Document Management is comprehensive, supporting template customisation, vernacularization, digital signatures, and automated statement/NOC generation.

At its heart, the Hyper Flexible LMS is designed to handle a diversity of compounding methods, repayment periods, refunds, write-offs using a nano-VM approach for each loan event. The Disbursal Manager smartly configures outbound fund transfers across channels and banks based on various inputs. Repayments support UPI QR, mandates, cash etc, with auto-reconciliation. The continuously improving Cash Collection module tracks cash flow with 100% transparency via User Wallets. Compassionate Collection ensures empathetic engagement. Other capabilities include Fund Source Management, Self-serve options for borrowers, Co-lending support, and an engine to retain good customers. Event-driven





multi-channel Communication manager keeps users informed across SMS, WhatsApp, and phone calls, supporting vernacular languages and multimedia.

Robust Tech Infrastructure and Capability

The meta platform provides Avanti a configurable UXs, schema evolution without server releases and granular ACL settings and Rapid workflow changes, maker-checker configs and Report/Dashboard makers. A robust massively scalable database and a multiple-times-daily refreshed Big Data warehouse power data-driven decision making. India-hosted Google Cloud servers, providing high availability (11 9s; >97% SLA) and durability. Security measures include firewalls, antivirus, database encryption, MFA, VPCs, DDoS protection, and Security Command Center activation. High availability is ensured with RTO=0 for zonal failures and automated failover. Stateless services and circuit breakers prevent cascading failures. Scalability is achieved through auto-scaling, routine load testing, and maintained headroom above peak usage.

Compliance and Agility

Avanti continuously adheres to RBI, GOI, MEITY, Cybersecurity, TRAI, and Google Play guidelines. It is reflected in features like explicit T&C acceptance, compliant loan restructuring, all-inclusive APR display, PII data restrictions, and account deletion compliance. The platform is now multiple audits mature.

Financial Highlights

- Fresh Equity raised in FY 2024-25 at INR 160 Crores.
- Net Interest Income grew by 16% year on year to INR 152 Crores.
- PAT stood at INR -122 Crores for FY 2024-25 vs -14 Crores for FY 2023-24.
- Capital Adequacy Ratio at 26.52% in Mar-25 vs 20.15% in Mar-24.
- Net NPA has increased to 1.42% vs 1.09% year on year, while the Provision Coverage Ratio stood at 71% for 31 March 2025.
- Debt to Equity stood at 2.39 times as on 31 March 2025 vs 3.35 times as on 31 March 2024.

Impact and Inclusion

In our efforts to showcase tangible proof of impact on our users, we had empanelled 60db for an impact assessment study during the financial year. The study reported a Net Promoter Score of 88, displaying a strong sense of satisfaction by our user base. Some of the other highlights of this report include - 88% reported that they do not feel repayments to be a problem, validating our approach to customise loan repayment schedules to their actual cashflows; over 1/3rd reporting an increase in their quality of life.

We are committed to responsible lending in adherence to RBI norms, transparent pricing and in the spirit of driving financial inclusion and prosperity for underserved and unserved communities.





Outlook

Despite a difficult external environment, we are pleased to note meaningful progress in FY25. Our ability to scale responsibly, constantly innovate, launch new channels, improve digital collections, and report positive household impact reflects the strength of our operating model.

As we move into FY 2025-26, we remain focused on scaling our inclusive credit model across deeper geographies, strengthening data-driven analytics for further strengthening risk management, and fostering new ecosystem partnerships across core and new channels. With a growing rural digital footprint and supportive policy tailwinds, Avanti is well-positioned to drive large-scale, sustainable impact for India's underserved.

Risk Management

Avanti Finance continues to refine its risk management capabilities as a core enabler of sustainable growth and long-term value creation. This involves embedding data-driven insights into underwriting and collection strategies, strengthening early warning frameworks and enhancing portfolio analytics.

With a strong focus on innovation and insights we have continuously modified policies and upgraded underwriting and cashflow models in line with the dynamic operating environment. Additionally, initiatives are underway to evaluate multiple alternative data sources such as transaction behaviour, region specific factors and digital footprints to complement existing models.

We have also utilized the current macro environment to rationalize the partner assessment and monitoring framework which acts as an essential step in ensuring smooth operations, identifying fraud and partner scalability.

	Risk	Mitigation
Credit Risk	Non-repayment of loan by a borrower,	The Company has a robust credit assessment 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 assessment framework and monitoring 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. The 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 a 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, 2024	New Joiners During FY25	Exit Employees During FY25	As on Mar 31, 2025
Employee Addition Details	94	118	34 (excluding interns)*	167

(*) During the financial year 2024–25, 11 individuals joined the organization as management trainees (interns) and were eventually designated as full-time employees. Consequently, the figures reported for employee joinings and exits have been adjusted to reflect this transition.

Total number of Off-roll employees (on third party payroll) engaged in D2C business and Collections were 336 as of March 31, 2025.

On behalf of Board of Directors
Avanti Finance Private Limited

Mr. Rahul Gupta
Director
DIN: 09247626
Date: May 27, 2025
Place: Bengaluru

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991
Date: May 27, 2025
Place: Bengaluru



Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Avanti Finance Private Limited,
Bengaluru

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Avanti Finance Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including material accounting policy and other explanatory information for the year ended on that date (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss, total comprehensive loss, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 (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 the 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 audit opinion on the Standalone Financial Statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on loan assets Refer note 3.4 of material accounting policy information and note 7 for the outstanding loan assets and note 42 (i) of the Standalone Financial Statements for credit risk disclosures. As at March 31, 2025, the Company has reported gross loan assets of Rs. 84,488.27 lakhs against which an impairment loss of Rs. 5,292.74 lakhs has been recorded. The Company recognised impairment provision for loan assets based on the expected credit loss approach laid down under 'Ind AS 109 – Financial Instruments'. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The calculation of expected credit losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which could have a material impact on reported profits/ (losses). The Company has applied a three-stage approach	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind-AS 109. • Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals;



Key audit matter	How the matter was addressed in our audit
based on changes in credit quality to measure expected credit loss on loans which is as follows: • If the loan is not credit-impaired on initial recognition, then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 29 days and classified as Standard Assets as per IRAC Norms. • If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 30 to 89 days and classified as Standard Assets as per IRAC Norms. • If the loan is credit-impaired, it is then moved to 'Stage 3' i.e. the default in repayment is 90 days or more and classified as Non-Performing Assets as per IRAC Norms. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models, other historical data and trends observed during systemic and non-system scenarios.	• Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically. • Assessed the appropriateness and adequacy of the related presentation and disclosures of note 42 "Risk Management" disclosed in the accompanying Standalone Financial Statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.





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

The Company's Board of Directors is responsible for 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 Annual Report 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 and will 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 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibility of Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereafter.

This responsibility also includes the 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, the Board of Directors is 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 the Board of Directors 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 SAs 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 SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 Company's ability 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.
- 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 Standalone Financial Statements of the current period 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.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2024 were audited by M/s. M.P. Chitale & Co, Chartered Accountants, who have expressed unmodified opinion vide their audit report dated September 26, 2024, whose reports have been furnished to us which have been relied upon by us for the purpose of our audit of the Standalone Financial Statements. Accordingly, we do not express any opinion on figures reported in the standalone financial statements for the year ended March 31, 2024.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. 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 it appears from our examination of those books, except that the back-up of the accounting software used for maintaining general ledger which forms part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the year.
 - c) The Balance Sheet, the Statement of Profit and Loss including 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 Standalone Financial Statements comply with the Ind AS prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) 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:

Section 197 relating to managerial remuneration applies only to a public company and is not applicable to a private company. Accordingly, compliance with the requirements of section 197 does not arise.

- i) 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements vide Note No. 37;
 - ii. The Company has not entered into any long-term contracts including derivative contracts that could have any material foreseeable losses;
 - iii. No amounts were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, 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 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



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(b) The Management has represented, that, to the best of its knowledge and belief, no funds 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;

(c) 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 (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any interim or final dividend during the year, hence reporting under Rule 11(f) is not applicable.
- vi. According to the information and explanations given to us by the Company and based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has 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. During the course of our audit, we did not come across any instances of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place : Bengaluru
Date : 27-05-2025

K P SRINIVAS
Partner
M. No.208520
UDIN: 25208520BMODTV6184

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) 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 with reference to financial statements 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 financial statements of **Avanti Finance Private Limited** ("the Company") as at March 31, 2025 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 with reference to financial statements 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 ('ICAI'). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that

- a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 and 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements 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.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place : Bengaluru
Date : 27-05-2025

K P SRINIVAS
Partner
M. No.208520
UDIN: 25208520BMODTV6184



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Avanti Finance Private Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of plant, property and equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so as to cover all the assets in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were not physically verified by the Management during the year. Accordingly, discrepancies, if any, could not be ascertained.
 - c. The Company does not have any immoveable property. The properties where the Company is the lessee, the lease agreements are duly executed in favour of the lessee.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable.
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable.
- ii.
 - a. The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
 - b. The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions during the year on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.



iii. The Company is a non-deposit taking Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India ('RBI') and as a part of its business activities is engaged in the business of lending. During the year, in the ordinary course of its business, the Company has made investments and granted loans and advances in the nature of loans, secured and unsecured. With respect to such investments and loans and advances:

- a. The Company is a NBFC, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- b. In our opinion, and according to the information and explanations given to us, investments made, terms and conditions of the grant of all loans and advances in the nature of loans are, prima facie, not prejudicial to the interests of the Company.
- c. The Company is a NBFC, registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the RBI including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated, and the repayments/ receipts of principal and interest are regular except for instances as disclosed in Note 7, is given below:

Particulars – Days past due	Total outstanding for overdue loans as at March 31, 2025 (Rs. Lakhs)	No. of cases
1 to 29 days	3,672.49	28,921
30 to 59 days	2,335.42	16,393
60 to 89 days	1,960.50	13,852
90 days or above	4,010.13	28,617

Having regard to the nature of business of the Company and volume of the transactions it is impractical to furnish the item wise listing for the above-mentioned cases of delay in repayment of principal and interest.

- d. In respect of loans granted by the Company, the amount overdue for more than ninety days as at the balance sheet date is as follows:

No. of cases	Principal amount overdue (Rs. Lakhs)	Interest overdue (Rs. Lakhs)	Total overdue (Rs. Lakhs)
28430	3998.23	500.45	4498.68

In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.





- e. The Company is a NBFC, and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
- f. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated, and no loans have been granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security which fall under the purview of section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- b. We are informed that there are no dues which have not been deposited on account of any dispute as at March 31, 2025, except for the following:

Name of statute	Nature of dues	Amount of dues (Rs. Lakhs)	Amount paid under protest (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Goods and Services tax, 2017	Goods and Services tax	115.53	7.35	FY 2022-23	Commissioner (Appeals), Bangalore
Central Goods and Services tax, 2017	Goods and Services tax	26.92	1.55	FY 2019-20	Commissioner (Appeals), Mumbai





- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a. 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 wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d. On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e. On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year
- f. According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. The Company has made private placement of compulsorily convertible preference shares during the year. For such allotment of shares, the Company has complied with the requirements of section 42 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment of equity or preference shares or has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.





- xi. a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year covered by our audit except for multiple instances of misappropriation of cash by other than employees as identified by the management during the year, aggregating to Rs. 441.61 Lakhs as mentioned in Note No. 72 to the Standalone Financial Statements. The Company has initiated necessary action against such persons connected to such instances and recovery of these amounts to the extent possible. The Company has recovered Rs. 104.62 Lakhs from such persons and fully provided for the unrecovered amount of Rs. 336.99 Lakhs during the year ended 31 March 2025.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. There were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given by the management and based on our verification of records maintained by the Company, the Company has entered into transactions with related parties in compliance with the provisions of section 177 and section 188, wherever applicable. The details of such related party transactions have been disclosed in Note No.39 of the Standalone Financial Statements 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 provided to us and based on our verification of records maintained and provided to us by the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
- b. The Company has obtained registration under the Non-Banking Finance Company – Micro Finance Institution (Reserve Bank) Directions, 2011 and no business has been conducted by the Company without any valid Certificate of Registration (CoR).





- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India.
 - d. In our opinion and as per the information and explanations given to us, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses amounting to Rs 6,275.03 Lakhs during the financial year covered by our audit and Rs. 2,182.70 Lakhs during the immediately preceding financial year.
- xviii. There was no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable for 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 Standalone 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. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects as at the end of the previous financial year or at the end of current financial year requiring a transfer to a Special Account in compliance with sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.





xxi. The reporting under clause 3(xxi) of the order is not applicable in respect of audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of said clause under this report.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place : Bengaluru
Date : 27-05-2025

K P SRINIVAS
Partner
M. No.208520
UDIN: 25208520BMODTV6184



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Standalone Balance Sheet as at March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	22,510.45	20,637.64
Bank balance other than cash and cash equivalents	5	3,002.82	3,618.15
Receivables :	6		
i) Trade Receivables		1,008.44	275.15
ii) Other Receivables		376.76	401.14
Loans	7	79,195.53	92,959.43
Investments	8	3,951.61	3,951.61
Other financial assets	9	2,886.21	912.29
2 Non-financial assets			
Property, plant and equipment	10	99.99	37.92
Right of use assets	11	144.54	139.54
Other intangible assets	12	4,440.03	1,496.79
Other non-financial assets	13	1,927.74	3,389.12
Total assets		1,19,544.12	1,27,818.79
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables			
(I) Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		72.18	89.26
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,377.03	1,392.38
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	15	31,261.11	34,192.49
Borrowings (other than debt securities)	16	48,517.84	61,048.53
Other financial liabilities	17	2,777.10	1,552.02
2 Non-financial liabilities			
Provisions	18	1,928.49	968.80
Other non-financial liabilities	19	256.94	135.03
Total liabilities		86,190.68	99,378.51

A rectangular array of 14 dots arranged in 2 rows and 7 columns.

Material accounting policy information and the accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 004532S

K.P. SRINIVAS
Partner
Membership No.208520

Bengaluru
27-05-2025

Mumbai
27-05-2025

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Standalone Statement of Profit and Loss for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
(i) Interest income	22	26,046.70	21,771.98
(ii) Fees and commission income	23	5,412.54	1,170.97
(iii) Net gain on fair value changes	24	501.82	274.06
(iv) Net gain on de-recognition of financial instruments under amortised cost category	25	311.19	823.92
(v) Other operating income	26	6,677.66	1,032.66
(I) Total revenue from operations		38,949.91	25,073.59
(II) Other income	27	315.80	27.96
(III) Total income (I + II)		39,265.71	25,101.55
Expenses			
(i) Finance costs	28	10,782.05	8,219.06
(ii) Fee and commission expense	29	11,739.12	7,436.71
(iii) Impairment of financial instruments	30	17,633.70	3,741.72
(iv) Employee benefits expenses	31	4,252.83	3,650.53
(v) Depreciation and amortisation expenses	32	527.35	526.56
(vi) Other expenses	33	6,528.33	2,910.64
(IV) Total expenses		51,463.38	26,485.22
(V) Profit/(Loss) before exceptional items and tax (III - IV)		(12,197.67)	(1,383.67)
(VI) Exceptional items		-	-
(VII) Profit/(Loss) before tax (V - VI)		(12,197.67)	(1,383.67)
(VIII) Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
(IX) Profit/(Loss) for the year from continuing operations (VII - VIII)		(12,197.67)	(1,383.67)
(X) Profit/(Loss) for the year (IX)		(12,197.67)	(1,383.67)
(XI) Other comprehensive income/(Loss)			
(i) Items that will not be reclassified to profit or loss (reameasurement gain/(loss) of defined benefit plans)		(15.59)	(1.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		(15.59)	(1.26)
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income/(Loss)		(15.59)	(1.26)
(XII) Total comprehensive income/(Loss) for the year (X + XI)		(12,213.26)	(1,384.93)
(XIII) Earnings per equity share (EPS) (face value of ₹ 10.00 each)	34		
Basic (₹)		(8.08)	(0.92)
Diluted (₹)		(8.08)	(0.92)

Material accounting policy Information and the accompanying notes form an integral part of the Standalone financial statements.

For and on behalf of the Board of Directors of

Avanti Finance Private Limited

As per our report of even date

For VARMA & VARMA

Chartered Accountants

Firm Registration No.: 004532S

Vijay Laxman Kelkar

Director

DIN: 00011991

Bengaluru

27-05-2025

Rahul Gupta

Director

DIN: 09247626

Bengaluru

27-05-2025

K.P. SRINIVAS

Partner

Membership No.208520

Bengaluru

27-05-2025

Sushil Thaker

Chief Financial officer

Bengaluru

27-05-2025

Urvashi P. Bahirsheth

Company Secretary &CCO

ACS 37475

Mumbai

27-05-2025

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Standalone Cash Flow Statement for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	(12,197.67)	(1,383.67)
Depreciation and amortisation expenses	527.35	526.56
Impairment on financial instruments	14,053.44	3,173.95
Loss allowance on financial guarantee	3,580.26	570.37
Finance costs	10,782.05	8,219.06
Interest income on deposits	(443.00)	(186.37)
Net gain on fair value changes on investments	(501.82)	(274.06)
ESOP compensation expense	471.79	167.19
Operating profit before working capital changes	16,272.42	10,813.03
Movements in working capital:		
(Increase) / Decrease in Trade receivables	(733.29)	(277.75)
(Increase) / Decrease in Other receivables	24.39	-
(Increase) / Decrease in Loans	(289.54)	(42,322.66)
(Increase) / Decrease in Other financial assets	(1,973.93)	(1,112.05)
(Increase) / Decrease in Other non financial assets	(262.80)	(2,617.68)
Increase / (Decrease) in Trade and Other payables	(32.43)	133.76
Increase / (Decrease) in Other financial liabilities	(2,286.29)	674.89
Increase / (Decrease) in Other non financial liabilities	121.91	366.99
Increase / (Decrease) in Provisions	656.25	450.03
(Increase) / Decrease in Bank Balance other than cash and cash equivalents	615.33	(3,606.92)
Cash used in operations	12,112.02	(37,498.36)
Direct taxes paid (including tax deducted at source, net of refunds)	(420.82)	(176.90)
Net cash flows used in operating activities (A)	11,691.19	(37,675.26)
B. Cash flow from investing activities		
Net acquisition of property, plant and equipment and intangible assets including intangible assets under development (net of capital advances)	(1,392.65)	(1,496.99)
Interest received on deposits	443.00	186.37
Net gain on sale of mutual funds	501.82	274.06
Net cash flows used in investing activities (B)	(447.83)	(1,036.56)
C. Cash flow from financing activities		
Proceeds from issue of Equity shares	-	7.50
Proceeds from issue of instruments entirely in equity in nature (including securities premium)	16,942.48	4,100.00
Lease Payments	(68.90)	(25.07)
Interest and charges paid on borrowings	(10,782.05)	(8,219.06)
Share application money received	-	(3,279.99)
Net proceeds from/ (repayment of) borrowings	(15,462.08)	46,119.52
Net cash flows from financing activities (C)	(9,370.55)	38,702.90
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,872.81	(8.92)
Cash and cash equivalents at the beginning of the year	20,637.64	20,646.57
Cash and cash equivalents at the end of the year	22,510.45	20,637.64

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Standalone Statement of Changes in Equity for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,08,32,193	15,083.22
Changes in Equity share capital during the year	-	-	75,000	7.50
As at the end of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72

A. Equity share capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
	15,090.72	-	-	15,090.72

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
	15,083.22	-	7.50	15,090.72

B. Instruments entirely equity in nature

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	24,51,22,955	24,512	23,08,42,216	23,084.22
Changes during the year	9,94,06,800	9,940.68	1,42,80,739	1,428.07
As at the end of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30

C. Other equity

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Other comprehensive income (Remeasurement gain/(loss) of defined benefit plan)	Total
		Securities premium account	Statutory reserve - Reserve fund u/s 45-IC of RBI Act 1934	ESOP Reserve	Debtenture redemption reserve	Retained earnings		
Balance as at March 31, 2024	-	10,687.70	-	239.08	-	(22,074.80)	(14.72)	(11,162.74)
Profit/(Loss) for the year	-	-	-	-	-	(12,197.67)	-	(12,197.67)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(15.59)	(15.59)
Addition to ESOP Reserve	-	-	-	183.94	-	-	-	183.94
Issue of instruments entirely equity in nature (net of issue expenses)	-	7,001.80	-	-	-	-	-	7,001.80
Balance as at March 31, 2025	-	17,689.51	-	423.02	-	(34,272.47)	(30.31)	(16,190.25)

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355
Standalone Statement of Changes in Equity for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Other comprehensive income (Remeasurement gain/(loss) of defined benefit plan)	Total
		Securities premium account	Statutory/ reserve - Reserve fund u/s 45-IC of RBI Act 1934	ESOP Reserve	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2023	-	8,015.78	-	71.89	-	(20,690.92)	(13.46)	(12,616.71)
Profit/(Loss) for the year	-	-	-	-	-	(1,383.66)	-	(1,383.66)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(1.26)	(1.26)
Addition to ESOP Reserve	-	-	-	167.19	-	-	-	167.19
Issue of instruments entirely equity in nature (net of issue expenses)	-	2,671.93	-	-	-	-	-	2,671.93
Dividend payable on preference shares	-	-	-	-	-	(0.22)	-	(0.22)
Balance as at March 31, 2024	-	10,687.70	-	239.08	-	(22,074.80)	(14.72)	(11,162.74)

For and on behalf of the Board of Directors of
Avanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 0045325

Vijay Laxman Kelkar	Rahul Gupta	K.P. SRINIVAS
Director	Director	Partner
DIN: 00011991	DIN: 09247626	Membership No.208520
Bengaluru	Bengaluru	Bengaluru
27-05-2025	27-05-2025	27-05-2025

Sushil Thaker	Urvashi P. Bahirsheth
Chief Financial officer	Company Secretary
	ACS 37475
Bengaluru	Mumbai
27-05-2025	27-05-2025

1. Corporate Information

Avanti Finance Private Limited ("the Company") is registered under Companies Act, 2013 as a private Company. The Company was 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 August 13, 2021.

The Company is treated as a middle layer Non-Banking Financial Company as the assets size of the group (consolidated assets size of the Company and its subsidiary Company put together) INR 1000 Crores and above (by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated October 19, 2023).

2. Basis of preparation

Statement of compliance

These standalone 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 from time to time, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant applicable provisions of the Act and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA and the circulars, the guidelines and the master directions issued by the Reserve Bank of India (the "RBI") including Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023.

The standalone financial statements were approved by the Company's Board of Directors on May 27, 2025.

Presentation of standalone 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 Division III of Schedule III of the Act read 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 Standards vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No 109/22.10.106/2019-20 dated March 13, 2020 and RBI/2020-21/15 DOR(NBFC).CC.PD.No 116/22.10.106/2020-21 dated July 24, 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. 36 of the Standalone financial statements

Basis of measurement

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

Functional and presentation currency

The standalone 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.

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
- ii. Defined employee benefit assets and liabilities refer para 3.12.2
- 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 3.4
- v. Effective Interest rate refer para 3.1
- vi. Other estimates: These include contingent liabilities (refer para 3.15), useful lives of tangible (refer para 3.9) and intangible assets (refer para 3.10).

3. Material Accounting Policy Information

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.

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.

Effective Interest Rate (EIR) method: 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.

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



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

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/ platform fee 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. Application 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.

Commission income

Revenue from contract with customer for rendering services is recognised at a point in time when performance obligation is satisfied.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread less corresponding direct costs attached is recognised when the related loan assets are de-recognised.

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.

Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation.

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. The Company accepts First Loss Default Guarantee from partners in accordance with RBI





Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

Guidelines and income from invocation of First Loss Default Guarantee is accounted on accrual basis or on the basis of availability of security.

3.3 Financial instruments

Recognition and initial measurement

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at cost 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 costs measured on initial recognition of financial assets or financial liability. Transaction costs of financial instruments 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

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





Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(designated as FVOCI – equity investment). This election is made on 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 and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity investment in subsidiary

Investment representing equity interest in subsidiary is accounted for at cost less accumulated impairment, if any.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset (other than equity) 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 sale of financial assets in prior periods, the reasons for such sales and expectation about future sale 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 particular 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 i.e. par value, 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 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.

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.

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.

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.

Off-setting of financial instruments

Financial assets and financial liabilities are off-set 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.

ECL is recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

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 lifetime 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 show 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.

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. 42(i).

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 expense/ income in the statement of profit and loss.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

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 for financial assets.

3.5 Determination of fair value

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.

3.6 Finance costs

Finance costs represent 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



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

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

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 ₹ 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 accordance with 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 and are recognised in the Statement of Profit and Loss when the asset is derecognised.





Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

3.11 Impairment of non-financial assets

The Company 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.

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 costs 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 or 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. Remeasurement 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.

3.14 Taxes

3.14.1 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 disclosed under finance costs. 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). 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.

3.14.2 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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

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Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

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 or/ leases of low value assets that have a lease term of less than 12 months. The Company recognises the lease payments associated with these leases as an expense on actual basis during the lease period.

3.19 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.

3.20 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 standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

3.21 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company which will have a material impact.



4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.03	20.70
Balances with banks and financial institutions		
- Balance with banks in current accounts	6,923.05	5,534.78
- Deposit with banks original maturity less than 3 months	15,587.37	15,082.16
Total	22,510.45	20,637.64

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits for maturity of more than 3 months and upto 12 months	871.10	1,904.57
Other Bank Balances*	2,131.72	1,713.58
Total	3,002.82	3,618.15

*The amount under lien as security are as follows (included above in note 5):

Particulars	As at March 31, 2025	As at March 31, 2024
Security against first loss default guarantee	2,131.72	1,713.58
Total	2,131.72	1,713.58

6 Receivables (at amortised cost)

(I) Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good-secured	-	-
Trade receivables considered good- unsecured	1,008.44	277.75
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	1,008.44	277.75
Less: Impairment loss allowance	-	(2.60)
Total	1,008.44	275.15

(II) Other receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	376.76	401.14
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Total	376.76	401.14
Less: Impairment loss allowance	-	-
Total	376.76	401.14

The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

*Other receivables considered good are expected to be realised within one year.

Note 6.1 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	482.25	526.19	-	-	-	-	1,008.44
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vii) Other receivables – considered good	-	-	-	-	-	-	-

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Note 6.2 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payment						
	Not Due	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 – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vii) Other receivables – considered good	-	-	-	-	-	-	-

7 Loans (Amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
i) Term loans	83,229.17	95,309.22
ii) Working Capital Loans	1,259.09	1,431.90
Total (A) - Gross	84,488.27	96,741.12
Less : Impairment loss allowance	(5,292.74)	(3,781.69)
Total (A) - Net	79,195.53	92,959.43
Secured by Fixed Deposit/Cash	-	3,478.40
Unsecured	84,488.27	93,262.72
Total (A) - Gross	84,488.27	96,741.12
Less : Impairment loss allowance	(5,292.74)	(3,781.69)
Total (A) - Net	79,195.53	92,959.43
Loans in India		
Public sector	-	-
Others	84,488.27	96,741.12
Total - Gross	84,488.27	96,741.12
Less : Impairment loss allowance	(5,292.74)	(3,781.69)
Total - Net	79,195.53	92,959.43

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

7 Loans (contd.)

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 42 (i) Credit Risk (Impairment assessment).

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade - No over due	72,509.73	-	-	72,509.73	90,063.13	-	-	90,063.13
Standard grade - DPD 1 to 29	3,672.49	-	-	3,672.49	2,174.41	-	-	2,174.41
Standard grade - DPD 30 to 59	-	2,335.42	-	2,335.42	-	985.10	-	985.10
Standard grade - DPD 60 to 89	-	1,960.50	-	1,960.50	-	1,335.45	-	1,335.45
Non-performing								
Sub-standard grade- DPD >= 90*	-	-	4,010.13	4,010.13	-	-	2,183.03	2,183.03
Total	76,182.22	4,295.92	4,010.13	84,488.27	92,237.54	2,320.55	2,183.03	96,741.12

* NPA loans as per IRAC norms has been considered as Sub-standard grade irrespective of DPD.

* There is no divergence in asset classification and provisioning

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is, as follows:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	92,237.54	2,320.55	2,183.03	96,741.12	55,178.12	693.39	3,614.26	59,485.77
New assets originated*	63,339.98	-	-	63,339.98	83,087.49	-	-	83,087.49
Movement between stages				-				-
Transferring from Stage 1	(5,685.99)	2,202.09	3,483.89	-	(5,954.59)	2,314.09	3,640.49	-
Transferring from Stage 2	3.13	(23.35)	20.22	-	6.68	(13.28)	6.60	-
Transferring from Stage 3	0.49	0.37	(0.86)	-	8.60	2.41	(11.01)	-
Assets repaid, derecognized and written off	(73,712.93)	(203.75)	(1,676.16)	(75,592.84)	(40,088.77)	(676.06)	(5,067.31)	(45,832.14)
Gross carrying amount- closing balance	76,182.22	4,295.92	4,010.13	84,488.27	92,237.54	2,320.55	2,183.03	96,741.12

* New assets originated is presented net of collections made during the year

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

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

7 Loans (contd.)

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	1,796.44	848.28	1,136.98	3,781.69	925.30	1,151.39	3,600.52	5,677.21
New assets originated	867.46	-	-	867.46	1,393.32	-	-	1,393.32
Movement between stages								
Transfers from Stage 1	(79.29)	39.67	39.62	-	(99.85)	38.81	61.05	-
Transfers from Stage 2	1.87	(9.65)	7.78	-	11.09	(22.05)	10.95	-
Transfers from Stage 3	0.34	0.16	(0.50)	-	8.57	2.40	(10.96)	-
Provision created during the year/ (assets repaid, derecognized, written off & Remeasurement)	(1,780.06)	755.82	1,667.83	643.59	(441.99)	(322.27)	(2,524.58)	(3,288.84)
Impairment allowance - closing balance	806.76	1,634.28	2,851.71	5,292.74	1,796.44	848.28	1,136.98	3,781.69

8 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
a) Subsidiaries (at cost)	3,951.61	3,951.61
Total Gross (A)	3,951.61	3,951.61
i) Investments outside India	-	-
ii) Investments in India	3,951.61	3,951.61
Total Gross (B)	3,951.61	3,951.61
Less : Allowance for impairment loss (C)	-	-
Net - D = (A) - (C)	3,951.61	3,951.61

* All Investment in note 8 above are within India

a) Investments in Subsidiary (Measured at Cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in Wholly owned subsidiary (Avanti Microfinance Private Limited; 3,95,16,107 shares of Rs.10 Each)	3,951.61	3,951.61
Total	3,951.61	3,951.61

9 Other financial assets

(unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
FLDG Invoked Receivable	1,754.18	-
EIS receivable on assignment	393.02	891.47
EIS receivable on Co-lending	494.81	-
Receivable under Co-lending	146.63	-
Charge Receivable	38.00	-
Receivable from payment gateways	23.33	-
Security rental deposits	36.24	20.82
Total	2,886.21	912.29

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

10 Property, plant and equipment

Particulars	Computer and accessories	Office equipment	Furniture & Fixtures	Electrical equipment	Server and Network equipment	Total
As at March 31, 2024	71.39	7.15	6.29	56.18	4.15	145.16
Additions	95.56	2.83	6.03	8.97	-	113.39
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2025	166.95	9.98	12.33	65.15	4.15	258.55
Accumulated depreciation and impairment						
As at March 31, 2024	42.47	2.12	4.30	56.18	2.17	107.24
Charge for the year	33.09	2.18	6.37	8.97	1.08	51.69
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2025	75.57	4.29	10.66	65.15	3.25	158.93
Net carrying amount as at March 31, 2025	91.38	5.69	1.66	-	0.90	99.99

Particulars	Computer and accessories	Office equipment	Furniture & Fixtures	Electrical equipment	Server and Network equipment	Total
As at March 31, 2023	42.51	4.16	3.79	7.63	4.15	62.24
Additions	29.26	2.98	2.50	48.63	-	83.37
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	0.46	-	0.46
As at March 31, 2024	71.77	7.14	6.29	55.80	4.15	145.16
Accumulated depreciation and impairment						
As at March 31, 2023	18.17	0.70	1.46	7.63	1.08	29.05
Charge for the year	24.30	1.42	2.83	49.01	1.09	78.65
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	0.46	-	0.46
As at March 31, 2024	42.47	2.12	4.30	56.18	2.17	107.24
Net carrying amount as at March 31, 2024	29.29	5.02	2.00	-	1.98	37.92

11 Carrying value of right of use assets at the end of the reporting period by class

Particulars	As at March 31, 2025	As at March 31, 2024
Opening value of right of use assets (Office Premises)	139.54	69.60
Addition to lease assets during the year	72.86	162.92
Termination of lease	4.52	48.55
Less: Amortisation for the year	63.34	44.43
Closing value of right of use assets	144.54	139.54

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

12 Other intangible assets

Particulars	Computer software
As at March 31, 2024	1,948.30
Additions	3,355.57
Reversal on disposal of assets	-
As at March 31, 2025	5,303.87
As at March 31, 2024	451.51
Charge for the year	412.32
Reversal on disposal of assets	-
As at March 31, 2025	863.83
Net carrying amount as at March 31, 2025	4,440.03

Particulars	Computer software
As at March 31, 2023	649.43
Additions	1,298.87
Reversal on disposal of assets	-
As at March 31, 2024	1,948.30
As at March 31, 2023	48.04
Charge for the year	403.47
Reversal on disposal of assets	-
As at March 31, 2024	451.51
Net carrying amount as at March 31, 2024	1,496.79

13 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	-	2,145.00
Advance to suppliers and others	86.36	66.61
TDS receivable	651.81	230.99
Prepaid expenses	104.45	49.87
Cash Deposits with Insurers	92.67	-
Balance with statutory authorities (GST Input Tax Credit)*	992.45	896.65
Total	1,927.74	3,389.12

*This includes input tax credit of Rs. 33.20 lakhs accounted in books of account which will be claimed in the GST returns on fulfilling the eligibility criteria.

14 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 67)	72.18	89.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,377.03	1,392.38
Total	1,449.21	1,481.64

14.1 Trade payables ageing is as follows:

Particulars	As at March 31, 2025					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	72.18	-	-	-	72.18
(ii) Others	1,040.60	336.43	-	-	-	1,377.03
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

Particulars	As at March 31, 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	89.26	-	-	-	89.26
(ii) Others	1,210.14	181.51	0.12	0.31	0.31	1,392.38
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

15 A. Debt securities secured (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Redeemable non-convertible debentures - Secured and listed	7,374.16	-
Redeemable non-convertible debentures - Secured and unlisted	23,886.95	32,392.49
Total (A)	31,261.11	32,392.49

Note: The above debentures are secured by the way of first and exclusive charge over unsecured loans of the Company.

B. Debt securities unsecured (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Redeemable non-convertible debentures - Unsecured and unlisted	-	1,800.00
Total (B)	-	1,800.00

Total debt securities (A+B)	31,261.11	34,192.49
Debt securities in India	31,261.11	34,192.49
Total	31,261.11	34,192.49

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

16 Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term loan from Banks - Secured	19,988.50	20,148.72
Term loan from Financial Institutions -Secured	28,529.34	40,899.81
Total	48,517.84	61,048.53
Borrowings in India	48,517.84	61,048.53
Borrowings outside India	-	-
Total	48,517.84	61,048.53

Notes:

- 1) All the borrowings are secured against book debts/ cash collateral with cover in the range of 100% - 125% depending on the agreement with lender
2) None of the borrowings are guaranteed by directors or others.

16.1 Terms of debentures

Particulars	Number of debentures (in lakhs)		Face value in ₹	Amount (INR In Lakhs)	
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
Secured					
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,400.00	2,400.00	1,00,000	2,400.00	2,400.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	250.00	250.00	1,00,000	250.00	250.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	500.00	500.00	10,00,000	5,000.00	5,000.00
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	3,000.00	3,000.00	10,00,000	30,000.00	30,000.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,500.00	7,500.00	1,00,000	7,500.00	7,500.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,900.00	2,900.00	1,00,000	2,900.00	2,900.00
10.90% Secured, Redeemable, Unlisted, Non-Convertible Debentures	500.00	-	10,00,000	5,000.00	-
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	2,500.00	-	1,00,000	2,500.00	-
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	5,000.00	-	1,00,000	5,000.00	-
12% Secured, Redeemable, listed, Non-Convertible Debentures	-	280.00	10,00,000	-	2,800.00
12% Secured, Redeemable, listed, Non-Convertible Debentures	-	720.00	10,00,000	-	7,200.00
Unsecured					
5% Unsecured, Redeemable, Non-Convertible Debentures	-	3,300	1,00,000	-	3,300.00

Notes:

The amounts as on March 31, 2025 and March 31, 2024 are outstanding amounts denominated at face value of the respective securities.
There were no delays in repayment of borrowings during FY 2024-25 and FY 2023-24.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

16.2 Terms of repayment of long term borrowings outstanding#

Maturity pattern of debt securities

Original Maturity of loan	Interest rate	Original maturity period	As at March 31, 2025		As at March 31, 2024	
			No. of instalments *	Amount	No. of instalments *	Amount
Quarterly repayment schedule	5%-10%	2 to 3 years	3	1,201.00	15	6,045.69
	12%-15%	2 to 3 years	-	-	6	2,961.30
At the end of tenure / On demand	10%-12%	Upto 2 years	2	10,277.51	2	10,265.83
	10%-12%	2 to 3 years	5	19,782.69	3	14,919.67
Total			10	31,261.20	26	34,192.49

Maturity pattern of borrowings (other than debt securities) - [Term loan from Banks]

Original Maturity of loan	Interest rate	Original maturity period	As at March 31, 2025		As at March 31, 2024	
			No. of instalments *	Amount	No. of instalments *	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	64	13,503.90	56	11,777.54
	10%-12%	2 to 3 years	55	3,478.92	88	5,433.17
	12%-15%	Upto 2 years	2	237.65	-	-
	12%-15%	2 to 3 years	23	1,648.72	26	2,560.94
Quarterly repayment schedule	10%-12%	2 to 3 years	6	1,119.31	-	-
	12%-15%	2 to 3 years	-	-	3	377.07
Total			150	19,988.49	173	20,148.72

Maturity pattern of borrowings (other than debt securities) - [Term loan from Financial Institutions]

Original Maturity of loan	Interest rate	Original maturity period	As at March 31, 2025		As at March 31, 2024	
			No. of instalments *	Amount	No. of instalments *	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	-	-	18	2,625.13
	10%-12%	2 to 3 years	222	12,934.62	294	17,145.05
	12%-15%	Upto 2 years	51	4,538.93	63	5,576.66
	12%-15%	2 to 3 years	61	4,714.63	111	7,485.96
Quarterly repayment schedule	12%-15%	Upto 2 years	-	-	1	250.00
	12%-15%	2 to 3 years	20	6,341.22	22	7,817.01
Total			354	28,529.40	509	40,899.81

*Cumulative instalments for all securities/ loans

All the above mentioned repayments are disclosed at principal outstanding only as per the contractual maturities at gross values.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

16.3 Reconciliation of Financing Activity

Particulars	As at March 31, 2024	Cash flow			Adjustments		As at March 31, 2025
		Additions	Payment	Lease payments	Interest expenses on lease liability & Additions	Upfront fees and amortisation	Termination of Lease
Debt securities	34,192.49	12,500.00	(15,076.41)	-	-	(354.96)	-
Borrowings (other than debt securities)	61,048.53	27,500.00	(39,836.24)	-	-	(194.45)	-
Lease liability	136.62	-	-	(68.90)	85.31	-	(4.54)
Total liabilities from financial activities	95,377.64	40,000.00	(54,912.66)	(68.90)	85.31	(549.41)	(4.54)
							79,927.43

Particulars	As at March 31, 2023	Cash flow			Adjustments		As at March 31, 2024
		Additions	Payment	Lease payments	Interest expenses on lease liability & Additions	Upfront fees and amortisation	Termination of Lease
Debt securities	16,291.51	23,300.00	(5,399.02)	-	-	-	-
Borrowings (other than debt securities)	32,723.51	49,250.00	(20,924.98)	-	-	-	-
Lease liability	69.30	-	-	(25.07)	92.39	-	-
Total liabilities from financial activities	49,084.32	72,550.00	(26,324.01)	(25.07)	92.39	-	-
							95,377.64



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Payable towards assignment transactions	1,337.44	674.50
FLDG invoked payable	237.36	-
Service obligation against EIS	526.00	-
Lease liabilities (Refer Note No. 38)	148.49	136.62
Security deposit from partners	143.45	99.78
Insurance premium payable	4.80	-
Payable to employees	79.55	-
Bonus payable	300.00	640.56
Dividend payable	-	0.56
Total	2,777.10	1,552.02

18 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
<u>For employee benefits</u>		
Gratuity (Refer note- 35)	51.81	30.56
Employees' Stock Option Plan (ESOP & Cash settled) (Refer Note No.73)	1,095.43	874.03
<u>Others</u>		
Provision on financial guarantee liability	781.25	64.20
Total	1,928.49	968.80

19 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	256.94	132.37
Others	-	2.66
Total	256.94	135.03



Particulars	As at March 31, 2025	As at March 31, 2024
20 AUTHORISED SHARE CAPITAL		
15,75,00,000 Equity Shares of ₹10/- each (PY - 15,75,00,000)	15,750.00	15,750.00
11,50,00,000 Series A Compulsorily Convertible Preference Shares of ₹ 10/- each (PY -11,50,00,000)	11,500.00	11,500.00
1,90,00,000 Series A1 Compulsorily Convertible Preference Shares of ₹ 10/- each (PY 1,90,00,000)	1,900.00	1,900.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of ₹ 10/- each (PY 3,20,00,000)	3,200.00	3,200.00
5,72,00,000 Series B Compulsorily Convertible Preference Shares of ₹ 10/- each (PY 5,72,00,000)	5,720.00	5,720.00
1,50,00,000Series B1 Compulsory Convertible Preference Share of Rs 10 /-each (PY -NIL))	1,500.00	-
2,50,00,000 Series B2 Compulsory Convertible Preference Share of Rs 10 /-each (PY - NIL)	2,500.00	-
6,50,00,000Series B3 Compulsory Convertible Preference Share of Rs 10 /-each (PY - NIL)	6,500.00	-
Total authorised capital	48,570.00	38,070.00
EQUITY SHARE CAPITAL		
Issued, subscribed and fully paid up share capital		
15,09,07,193 Equity Shares of ₹ 10/- each fully paid-up (Previous year 15,08,32,193 Equity Shares of ₹ 10/- each fully paid-up)	15,090.72	15,090.72
Total	15,090.72	15,090.72
Instruments entirely Equity in nature		
11,24,00,000 Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 11,24,00,000)	11,240.00	11,240.00
1,86,00,000 Series A1 Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 1,86,00,000)	1,860.00	1,860.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 3,20,00,000)	3,200.00	3,200.00
5,71,22,955 Series B Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 5,71,22,955)	5,712.30	5,712.30
2,50,00,000 Compulsorily Convertible Debentures of ₹ 10/- each fully paid up (PY 2,50,00,000)	2,500.00	2,500.00
1,42,80,739 Series B1 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - NIL)	1,428.07	-
2,01,86,059 Series B2 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - NIL)	2,018.61	-
6,49,40,002 Series B3 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - NIL)	6,494.00	-
Total	34,452.98	24,512.30

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,08,32,193	15,083.22
Issued during the year	-	-	75,000	7.50
As at the end of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10 per share. Each equity shareholder is eligible for one vote per share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to deduction of tax at source. In the event of liquidation of the Company, the holders of equity share 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 the shareholders.

c. Reconciliation of instruments entirely equity in nature

Instruments entirely Equity in nature Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Outstanding at the beginning of the year	24,51,22,955	24,512.30	23,08,42,216	23,084.22
Issued during the year (Series B)	-	-	1,42,80,739	1,428.07
Issued during the year (Series B1)	1,42,80,739	1,428.07	-	-
Issued during the year (Series B2)	2,01,86,059	2,018.61	-	-
Issued during the year (Series B3)	6,49,40,002	6,494.00	-	-
Outstanding at the end of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

d. Equivalent number of Equity shares

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Series A Compulsorily Convertible Debentures	1,25,77,534	1,25,77,534
Series A Compulsorily Convertible Preference Shares	5,68,41,950	5,68,41,950
Series A1 Compulsorily Convertible Preference Shares	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	5,71,22,955
Series B1 Compulsorily Convertible Preference Shares	1,29,29,675	-
Series B2 Compulsorily Convertible Preference Shares	2,01,56,059	-
Series B3 Compulsorily Convertible Preference Shares	6,49,40,002	-
Outstanding at the end of the year	24,59,40,196	14,79,14,460

e. Aggregate number of shares issued for consideration other than cash during the last five years

The Company has not issued shares for consideration other than cash during the last five years.

f. Details of shareholders holding more than 5% equity shares in the Company

Equity shares of ₹ 10 each

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Mr. Ratan N. Tata	1,68,70,859	11.18%	1,68,70,859	11.18%	-
2	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	13,12,86,747	87.00%	13,12,86,747	87.00%	-

Compulsorily Convertible Preference shares ₹ 10 each - Series A

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Oikocredit Ecumenical Development Co-operative Society U.A.	4,30,00,000	38.26%	4,30,00,000	38.26%	-
2	Wao Partners LLP	1,50,00,000	13.34%	1,50,00,000	13.34%	-
3	Bill & Melinda Gates Foundation	5,44,00,000	48.40%	5,44,00,000	48.40%	-

Compulsorily Convertible Preference shares ₹ 10 each - Series A1

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Bill & Melinda Gates Foundation	1,86,00,000	100%	1,86,00,000	100%	-

Compulsorily Convertible Preference shares ₹ 10 each - Series Bridge

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	1,60,00,000	50.00%	1,60,00,000	50.00%	-
2	Oikocredit Ecumenical Development Co-operative Society U.A.	1,60,00,000	50.00%	1,60,00,000	50.00%	-

Compulsorily Convertible Preference shares ₹ 10 each - Series B

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Oikocredit Ecumenical Development Co-operative Society U.A.	28,56,148	5.00%	28,56,148	5.00%	-
2	IDH Farmfit Fund B.V.	1,14,24,591	20.00%	1,14,24,591	20.00%	-
3	Rabo Partnerships B.V.	4,28,42,216	75.00%	4,28,42,216	75.00%	-

Compulsorily Convertible Preference shares ₹ 10 each - Series B1

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	MI India Capital And Investment Private Limited	1,39,32,428	97.56%	-	-	100.00%
2	Mr. Naveen Kukreja	3,48,311	2.44%	-	-	100.00%

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Compulsorily Convertible Preference shares ₹ 10 each - Series B2

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	65,43,677	32.42%	-	-	100.00%
2	Rabo Partnerships B.V.	21,59,413	10.70%	-	-	100.00%
3	Mr. Kewal Krishan Nohria	15,76,789	7.81%	-	-	100.00%
4	Mr. Ajay Kumar Aggarwal	31,53,580	15.62%	-	-	100.00%
5	Mr. Rajat Goenka	15,76,789	7.81%	-	-	100.00%
6	SAK Industries Private Limited	15,76,789	7.81%	-	-	100.00%
7	IDH Farmfit Fund B.V.	35,99,022	17.83%	-	-	100.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B3

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	5,00,00,000	76.99%	-	-	100.00%
2	Rabo Partnerships B.V.	56,02,501	8.63%	-	-	100.00%
3	IDH Farmfit Fund B.V.	93,37,501	14.38%	-	-	100.00%

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 (After Conversion) 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, B1,B2, B3 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,B1,B2,B3 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.

g. Details of shareholding of Promoters

S. No.	Promoter name	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Mr. Ratan N. Tata	1,68,70,859	11.18%	1,68,70,859	11.18%	-
2	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	13,12,86,747	87.00%	13,12,86,747	87.00%	-

21 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve (Pursuant to Section 45-IC of the RBI Act, 1934)		
Opening balance	-	-
Add: Transfer from retained earnings	-	-
Closing balance	-	-
Securities premium account		
Opening balance	10,687.70	8,015.78
Add : Securities premium credited on share issue		
- Series B1 CCPS	-	2,671.93
- Series B CCPS	2,671.93	-
- Series B2 CCPS	4,382.39	-
Less: Issue Expenses	(52.52)	-
Closing balance	17,689.51	10,687.70
ESOP Reserve		
Opening balance	239.08	71.89
Add: Employee stock option compensation for the year	183.94	167.19
Less: Balance transferred to retained earnings	-	-
Less: Premium on exercise of stock options	-	-
Closing balance	423.02	239.08
Other comprehensive income (Remeasurement of defined benefit Liability)		
Opening balance	(14.72)	(13.46)
Add: Transfer from Statement of Profit and Loss on account of :		
-Actuarial loss on retirement benefits	(15.59)	(1.26)
Closing balance	(30.31)	(14.72)
Retained earnings		
Opening balance	(22,074.80)	(20,690.92)
Add : Net profit/(net loss) for the current year	(12,197.67)	(1,383.66)
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-	-
Dividend for preference shares	-	(0.22)
Total appropriations	-	(0.22)
Retained earnings	(34,272.47)	(22,074.80)
Total Other equity	(16,190.25)	(11,162.74)

Nature and purpose of reserves

Securities premium account: The amount received in excess of face value of the equity shares and other securities is recognised in Securities Premium Reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares and for incurring share issue expenses in accordance with the provisions of the Companies Act, 2013.

Statutory reserve: On account of losses incurred during the year, the Company has not transferred any amount to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

Contribution to employee stock option scheme: The reserve is used to recognise the fair value of the options issued to employees of the Company.

Other comprehensive income: Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses.

Retained earnings: Retained earnings are the profits/ (loss) that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

22 Interest income (on financial asset measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on loans	25,596.81	21,581.63
Interest income on deposits	443.00	186.37
Other Interest income	6.90	3.98
Total	26,046.70	21,771.98

23 Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Service fees income	5,412.54	1,170.97
Total	5,412.54	1,170.97

24 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on financial instruments at fair value through profit or loss		
- Investments		
Gain on sale of mutual funds	501.82	274.06
Gain on fair valuation of investment in mutual funds	-	-
Total	501.82	274.06
Fair value changes:		
- Realised	501.82	274.06
- Unrealised	-	-
Total	501.82	274.06

25 Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on de-recognition of loan assets	311.19	823.92
Total	311.19	823.92

26 Other operating income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Management consultancy fees	517.80	110.13
Recoveries:		
FLDG recovery - co-lending	220.41	-
Recovery from guarantors	762.04	-
Recoveries against FLDG invoked	3,974.18	-
Write off recovery	1,114.15	922.52
Insurance receipts on loans which were written off	89.08	-
Total	6,677.66	1,032.65

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

27 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on lease termination	0.04	-
Provision/credit balances no longer required written back	304.55	-
Other miscellaneous income	11.21	27.96
Total	315.80	27.96

28 Finance costs (On financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on debt securities		
- Debentures	4,145.81	2,844.23
Interest on borrowings (other than debt securities)	6,619.53	5,364.40
Interest on lease liability	14.35	10.43
Other charges	2.36	-
Total	10,782.05	8,219.06

29 Fee and commission expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Commission expenses	11,739.12	7,436.71
Total	11,739.12	7,436.71

30 Impairment of financial assets (on financial assets measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Portfolio loans written off	12,542.96	5,067.31
Impairment allowance/ (reversal) on portfolio loans	1,510.48	(1,895.96)
Impairment loss allowance on trade and other receivable	-	2.60
Loss allowance for financial guarantee	3,580.26	567.77
Total	17,633.70	3,741.72

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

31 Employee benefits expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, other allowance and bonus	3,498.88	3,242.36
Contribution to provident and other funds*	92.04	65.65
Share based payment to employees (Refer Note No. 73)	471.79	167.19
Gratuity expenses *	36.24	34.74
Recruitment Expenses	27.25	1.89
Staff welfare expenses	126.62	138.70
Total	4,252.83	3,650.53

* (For detailed information refer note - 35)

32 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On Property, plant and equipment	51.69	78.65
On Intangible assets	412.32	403.47
On Right of use assets	63.34	44.43
Total	527.35	526.56

33 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal, consultancy and professional expenses	2,386.41	767.14
Hosting and licensing fees	2,910.16	1,471.40
Payments to auditors	41.58	46.05
Stamp duty and filing fees	7.46	10.15
Business promotion expenses	246.15	75.27
Sitting fees	35.15	37.61
Travelling, conveyance and food expenses	184.75	147.12
Lodging and boarding expenses	78.44	40.10
Guarantee fees	131.63	56.46
Membership and subscription fees	96.15	77.67
Bank charges	47.33	42.07
Rent on office premises (Refer Note No. 38)	31.88	18.48
Balances written off	130.54	-
Miscellaneous expenses	60.21	58.70
Total	6,528.33	2,910.64

*Auditor's fees and expenses comprises of:

As Auditor:		
- Audit fees	27.25	29.43
- Tax audit fees	4.91	5.45
- Limited review	7.63	-
- Out of pocket expenses	0.70	3.05
In any other manner:		
- Certification	1.09	8.12

Note: Amount disclosed above are inclusive of GST expensed out.

34 Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net profit for the year for basic EPS	(12,197.67)	(1,383.67)
Dilutive impact of compulsorily convertible debentures	-	-
Net profit for the year for diluted EPS	(12,197.67)	(1,383.67)
Nominal value of equity share (in ₹)	10.00	10.00
Weighted-average number of equity shares for basis earnings per share	1,509.07	1,508
Effect of dilution:		
Compulsory convertible preference shares	NA	NA
Compulsory convertible debentures	NA	NA
Weighted-average number of equity shares used to compute diluted earnings per share	1,509.07	1,508.43
Basic earnings per equity share (in ₹)	(8.08)	(0.92)
Diluted earnings per equity share (in ₹)*	(8.08)	(0.92)

* Since the company has loss for the year, there is no dilution of EPS

35 Retirement benefit plan

Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 91.49 Lakhs for the year ended March 31, 2025 (March 31, 2024: ₹ 65.65 Lakhs) for Provident Fund contributions and ₹ 0.55 Lakhs for the year ended March 31, 2025 (March 31, 2024: ₹ 0.00 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined benefit plan

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service.

Employee benefit obligations

Balance recognised in the balance sheet is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	51.81	30.56

Expense recognised in Statement of Profit & Loss is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	36.24	34.74

Expense recognised through OCI is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	15.59	1.26

Disclosure for gratuity

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Components of net gratuity cost charged to Statement of Comprehensive Income		
Current service cost	34.26	26.91
Interest expense	10.11	7.84
Interest (income) on plan assets	(8.13)	-
Transfer out	-	-
Actuarial loss/(gain) recognised during the year	15.59	1.26
Total	51.83	36.00

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Movement in the present value of defined benefit obligation recognised in the balance sheet	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of defined benefit obligation at the beginning of the year	143.13	106.54
Current service cost	34.26	26.91
Interest cost	10.11	7.84
Past service cost	-	-
Benefits paid	-	-
Actuarial (gain)/ loss	17.26	1.84
Defined benefit obligation at the end of the year	204.76	143.13
Movement in the plan assets recognised in the balance sheet (under a scheme managed by PNB metlife)		
Fair value of plan assets at the beginning of the year	112.56	-
Interest income	-	-
Employer direct benefits payments	30.58	111.98
Benefits Paid	-	-
Benefits Paid from the fund	-	-
Return on plan assets excluding interest income	9.80	0.58
Fair value of plan assets end of the year	152.95	112.56

The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due.

Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded obligation as at the end of the year	204.76	143.13
Fair value of plan assets as at the end of the year	(152.95)	(112.56)
Funded net liability/(asset) recognized in balance sheet	51.81	30.56
Principal assumptions used in determining gratuity liability are shown below:	As at March 31, 2025	As at March 31, 2024
Rate of discounting	6.80%	7.22%
Expected rate of salary increase	10.00%	10.00%
Rate of employee turnover	5.00%	5.00%

Plan characteristics and associated risks

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355
Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

6. 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	As at March 31, 2025	As at March 31, 2024
Year 1	7.40	6.21
Year 2	8.73	6.33
Year 3	26.89	7.44
Year 4	9.76	24.03
Year 5	25.37	7.60
Between 6 to 10 years	72.94	71.14
Above 10 years	391.90	264.86
Total expected payments	542.99	387.62



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	22,510.45	-	22,510.45	20,637.64	-	20,637.64
Bank balance other than cash and cash equivalents	3,002.82	-	3,002.82	3,618.15	-	3,618.15
Trade Receivables	1,008.44	-	1,008.44	275.15	-	275.15
Other receivables	376.76	-	376.76	401.14	-	401.14
Loans	48,811.6	30,383.95	79,195.53	60,261.24	32,698.19	92,959.43
Investments	-	3,951.61	3,951.61	-	3,951.61	3,951.61
Other financial assets	2,849.97	36.24	2,886.21	912.29	-	912.29
Non-financial assets						
Property, plant and equipment	-	99.99	99.99	-	37.92	37.92
Right of use asset	-	144.54	144.54	-	139.54	139.54
Other intangible assets	-	4,440.03	4,440.03	-	1,496.79	1,496.79
Other non-financial assets	1,275.93	651.81	1,927.74	3,389.12	-	3,389.12
Total assets	79,835.96	39,708.16	1,19,544.12	89,494.74	38,324.05	1,27,818.79
Liabilities						
Financial liabilities						
Trade payables	1,449.21	-	1,449.21	1,481.64	-	1,481.64
Debt securities	18,957.59	12,303.51	31,261.11	15,338.76	18,853.73	34,192.49
Borrowings (other than debt securities)	33,486.42	15,031.42	48,517.84	36,181.09	24,867.44	61,048.53
Other financial liabilities	2,702.34	74.76	2,777.10	1,474.86	77.16	1,552.02
Non-financial liabilities						
Provisions	1,006.54	921.95	1,928.49	968.80	-	968.80
Other non-financial liabilities	256.94	-	256.94	135.03	-	135.03
Total liabilities	57,859.05	28,331.64	86,190.68	55,580.18	43,798.33	99,378.51

Notes:

All borrowings are disclosed based on the contractual maturities.

There are no breach of covenants existing as at the year end and there are no default in repayment of borrowings during the year.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

37 Contingent liabilities, commitments

(A) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
In respect of GST tax demands/ notices where the Company has filed an appeal with relevant authority	151.35	-
Total	151.35	-

Future cash outflows in respect of (a) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

Particulars	As at March 31, 2025	As at March 31, 2024
Commitment towards development of Software Platform	3,200.00	4,778.50
Commitment towards Loans sanctioned before Balance sheet date but not disbursed	121.93	101.32

38 Lease disclosures

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.

Carrying value of lease liability at the end of the reporting period by class

Particulars	As at March 31, 2025	As at March 31, 2024
Opening lease liabilities	136.62	69.30
Addition to lease liabilities during the year	70.96	156.81
Interest expense on lease liabilities	14.35	10.43
Termination of lease	(4.54)	(37.67)
Cash outflow for leases	(68.90)	(62.25)
Closing lease liabilities	148.49	136.62

Carrying value of right of use assets at the end of the reporting period by class - Office Premises

Particulars	As at March 31, 2025	As at March 31, 2024
Opening value of right of use assets	139.54	69.60
Addition to lease assets during the year	72.86	162.92
Deductions/Adjustments	(4.52)	(48.55)
Less: Depreciation charge for the year	(63.34)	(44.43)
Closing value of right of use assets	144.54	139.54

Amounts recognised in Statement of profit or loss

Particulars	As at March 31, 2025	As at March 31, 2024
Amortisation of right of use assets	63.34	44.43
Interest on lease liabilities	14.35	10.43
Total	77.69	54.86

Amounts recognised in the Statement of cash flows

Particulars	As at March 31, 2025	As at March 31, 2024
Interest paid on lease liabilities	14.35	10.43
Payment towards lease liabilities	68.90	62.25
Total	83.25	72.68

Maturity analysis of lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	73.72	59.46
After one year but not more than five years	74.76	77.16
More than five years	-	-
Total	148.49	136.62

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

39 Related party disclosures

A. List of related parties and disclosures

1. Enterprises exercising control: NRJN Family Trust

2. Enterprises which is under the control of the company

Wholly owned Subsidiary: Avanti Microfinance Private Limited (AMPL)

3. Key managerial personnel

Name of key managerial personnel	Designation
Mr. Ratan Tata	Non-executive Director (upto 9 October 2024)
Mr. Nandan Mohan Nilekani	Non-executive Director
Dr. Vijay Kelkar	Non-executive Director
Ms. Bindu Ananth	Non-executive Director
Mr. Subramaniam Somasundaram	Independent Director
Ms. Sukanya Kripalu	Independent Director
Mr. Jeroen Meerburg	Non-executive Director (w.e.f. 24 August 2024)
Mr. Anirudh Jagdish Sarda	Non-executive Director (upto 13 December 2024)
Mr. Rahul Gupta (Chief Executive Officer/Executive Director)	Key management personnel
Mr. Sushil Thaker (Chief Financial Officer)	Key management personnel (w.e.f. 09 December 2024)
Mrs. Urvashi Bahirsheth (Company Secretary and Chief compliance Officer)	Key management personnel

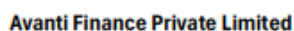
B. Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	As at March 31, 2025	As at March 31, 2024
NRJN Family Trust	Issue of CCPS	7,075.00	-
Avanti Microfinance Private Limited (AMPL)	Assignment of loan portfolio to AMPL	340.00	165.47
Avanti Microfinance Private Limited (AMPL)	Assignment of loan portfolio from AMPL	298.72	-
Avanti Microfinance Private Limited (AMPL)	Collection amount paid to AMPL for Assigned Loans	180.83	379.39
Avanti Microfinance Private Limited (AMPL)	Service fee for the assigned Loan	-	8.56
Avanti Microfinance Private Limited (AMPL)	Net Gain on derecognition of assigned portfolio	-	5.78
Independent Directors	Director Sitting fees	26.33	31.05
Key managerial personnel	Remuneration, reimbursements and Others *	705.57	506.78

* This does not include ESOP expenses debited to the Statement of Profit and Loss and accrual towards defined benefit obligations

C. Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at March 31, 2025	As at March 31, 2024
NRJN Family Trust	Equity share capital	13,128.67	13,128.67
Dr. Vijay Kelkar	Equity share capital	87.46	87.46
Mr. Ratan Tata	Equity share capital	1,687.09	1,687.09
NRJN Family Trust	Compulsorily Convertible Preference shares	8,675.00	1,600.00
Avanti Microfinance Private Limited (AMPL)	Interest Strip Receivable	-	5.78
Avanti Microfinance Private Limited (AMPL)	Amounts receivable from AMPL	120.07	0.59
Key managerial personnel	Equity share capital	7.50	-



CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

40 Capital

The Company actively manages its capital base to cover risks inherent in the business which includes issued equity and preference capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and also maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In this involves issue of capital securities. No changes have been made to the objectives, policies and processes from the previous years.

Regulatory capital	As at March 31, 2025	As at March 31, 2024
Tier 1 capital	27,853.14	25,631.38
Tier 2 capital	806.76	-
Total capital funds	28,659.90	25,631.38
Risk weighted assets	1,07,263.38	1,27,185.78
Common Equity Tier 1 capital ratio	25.97%	20.15%
Common Equity Tier 2 capital ratio	0.75%	0.00%
Total capital ratio	26.72%	20.15%

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, net of accumulated losses. Certain adjustments are made to Ind AS-based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier 2 Capital.

The Company is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India.

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Financial liabilities measured at amortised cost		
Trade payables	1,449.21	1,481.64
Debt securities	31,261.11	34,192.49
Borrowings (other than debt securities)	48,517.84	61,048.53
Other financial liabilities	2,777.10	1,552.02
Total	84,005.25	98,274.68

Level 3: Inputs which are not based on observable market data (unobservable inputs).

41 Fair value measurement (cont'd)

41.3 Financial assets and liabilities measured at fair value - as at the balance sheet date

As at March 31, 2025	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Mutual Funds	-	-	-	-
As at March 31, 2024	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Investments in Mutual Funds	-	-	-	-

Valuation technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

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.

41.4 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments measured at amortised cost.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and cash equivalents	22,510.45	22,510.45	20,637.64	20,637.64
Bank balance other than cash and cash equivalents	3,002.82	3,002.82	3,618.15	3,618.15
Trade Receivables	1,008.44	1,008.44	275.15	275.15
Other receivables	376.76	376.76	401.14	401.14
Loans (measured at amortised cost)	79,195.53	79,195.53	92,959.43	92,959.43
Investments at amortised cost	3,951.61	3,951.61	3,951.61	801.09
Other financial assets	2,886.21	2,886.21	912.29	912.29
Total financial assets	1,12,931.82	1,12,931.82	1,22,755.41	1,19,604.90
Financial liabilities:				
Trade payables	1,449.21	1,449.21	1,481.64	1,481.64
Debt securities	31,261.11	31,261.11	34,192.49	34,192.49
Borrowings (other than debt securities)	48,517.84	48,517.84	61,048.53	61,048.53
Other financial liabilities	2,777.10	2,777.10	911.46	911.46
Total financial liabilities	84,005.25	84,005.25	97,634.12	97,634.12

Valuation technique used for financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments:

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and liabilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables, other payables and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

42 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 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.

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 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 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) for all stages except stage I where the credit losses expected to arise over the 12 months of the asset, unless there has been no significant increase in credit risk since its initial recognition.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Definition of Default

As per the Company's policy, all loans are classified into stage 1, stage 2 and stage 3. Loans up to 29 DPD (days past due) are classified as stage 1 assets. Loans with DPD of 30 days up to 89 days are classified as stage 2 assets and Loans with DPD greater than or equal to 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)

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of loan outstanding in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of loan outstanding in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% in line with accounting standard

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.



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

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 for Stage 2 and stage 3 Loans and 12 months' PD for Stage 1. 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.

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.

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.

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 no 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.



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

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 loans (Refer Note No. 7)

Particulars	As at March 31, 2025	As at March 31, 2024
Maximum exposure to credit risk	84,488.27	96,741.12

ii. 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.

The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company. In terms of actions, the Company's liquidity risk management policy is guided by the following principles:

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 understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (payable along with interest outgo).

Maturity pattern of assets and liabilities as on March 31, 2025:

Particulars	Less than 3 months	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities						
Trade payables	1,449.21	-	-	-	-	1,449.21
Other payables	-	-	-	-	-	-
Borrowings & debt Securities	13,378.02	39,066.14	27,334.79	-	-	79,778.95
Other financial liabilities	2,628.61	-	-	-	-	2,628.61
Lease liabilities	17.23	56.50	74.76	-	-	148.49
Total undiscounted financial liabilities	17,473.07	39,122.64	27,409.55	-	-	84,005.26

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Maturity pattern of assets and liabilities as on March 31, 2024:

Particulars	Less than 3 months	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities						
Trade payables	1,481.64	-	-	-	-	1,481.64
Other payables	-	-	-	-	-	-
Borrowings & debt Securities	10,850.43	40,669.42	43,721.16			95,241.02
Other financial liabilities	1,415.40	-	-	-	-	1,415.40
Lease liabilities	14.86	44.59	77.16	-	-	136.62
Total undiscounted financial liabilities	13,762.34	40,714.01	43,798.33	-	-	98,274.68

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 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 to 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.

Sensitivity analysis

Effect on profit or loss (₹ lakhs)	For the year ended March 31, 2025	For the year ended March 31, 2024
Impact on profit before tax of 100 bps increase in interest rate	(797.79)	(610.49)
Impact on profit before tax of 100 bps Decrease in interest rate	797.79	610.49

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.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Additional disclosures required by the Reserve Bank of India (RBI)

(Disclosures are made as per Ind AS standalone financial statements except otherwise stated)

43 Segment reporting

The Company is primarily engaged in the business of financing which is considered to be the only reportable business segment as per Ind AS 108, Operating Segments. The Company operates primarily in India and there is no other geographical segment.

44 Details of CSR expenses

The Company has been continuously incurring losses, hence there is no liability towards CSR activities as specified under Section 135 of the Companies Act, 2013.

45 Credit rating

Sl. no	Instruments	Credit rating agency	Date of Rating	Current Rating	Borrowing Limit (₹ Lakhs)	Valid upto
1	Non convertible debentures	CRISIL	16-12-2024	BBB+/Stable	42,900.00	Maturity of Facility
2	Bank Lines	CRISIL	16-12-2024	BBB+/Stable	50,000.00	Maturity of Facility

46 Capital adequacy ratio

Particulars	As at March 31, 2025	As at March 31, 2024
i) CRAR (%)	26.72%	20.15%
ii) CRAR - Tier I Capital (%)	25.97%	20.15%
iii) CRAR - Tier II Capital (%)	0.75%	0.00%

47 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
(1) Value of investments		
(i) Gross value of investments	3,951.61	3,951.61
(a) In India	3,951.61	3,951.61
(b) Outside India	-	-
(ii) Impairment provisions on investments		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments	3,951.61	3,951.61
(a) In India	3,951.61	3,951.61
(b) Outside India	-	-
(2) Movement of impairment provisions on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

The Management of the Company has carried out an impairment analysis of the above investment based on the discounted cashflow method and has concluded that no provision for impairment is required for the above investment.

48 Disclosure as per Master Direction- Reserve Bank of India (Securitisation of Standard Assets Directions, 2021)

Details of financial assets sold to securitisation

Sl No	Particulars	As at March 31, 2025	As at March 31, 2024
1	No. of SPEs holding assets for securitisation transactions originated by originator (only the SPVs relating to outstanding securitization exposures to be reported here)	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	-	-
	a) Off-balance sheet exposures		
	• First Loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First Loss	-	-
	• Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations		
	• First Loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First Loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	-	-
	i) Exposure to own securitisations		
	• First Loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First Loss	-	-
	• Others	-	-
5	Sale consideration received for securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. credit enhancement, liquidity support, servicing agent, etc. Mention bracket as of total value of facility provided.		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle loans, etc	-	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle loans, etc	-	-
10	Investor complaints (a) Directly/ Indirectly received and (b) Complaints outstanding	-	-

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

48.1 Details of assignment transactions undertaken by the Company

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of agreed % of the assets transferred to the buyer, the assets have been de-recognised to that extent from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

Details of transfer through Direct assignment during the year and quarter ended March 31, 2025:

S. No.	Particulars	For the year ended March 31, 2025	For the quarter ended March 31, 2025
1	Number of Loans	47,961	47,215
2	Aggregate amount	9,894.61	9,774.00
3	Sale consideration	8,917.00	8,797.00
4	Number of Transactions	3	2
5	Weighted average remaining Maturity(In months)	13	13
6	Weighted average holding period after Origination(In months)	24	24
7	Retention of beneficial economic interest	13.50%	13.50%
8	Coverage of tangible Security Coverage	-	-
9	Rating wise distribution of rated loans	NA	NA
10	Number of instances (transactions) where transferred as agreed to replace the transferred loans	NA	NA
11	Number of transferred loans replaced	NA	NA

Details of transfer through Co-lending akin to Direct Assignment during the year and quarter ended March 31, 2025:

The Company has transferred loans through Co-lending arrangements under CLM 2 model to the respective participating bank which are akin to Direct Assignment transaction under circular no.RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-lending by banks and NBFCs to priority sector.

S. No.	Particulars	For the year ended March 31, 2025	For the quarter ended March 31, 2025
1	Number of Loans	15,853	247
2	Aggregate amount	6,859.82	97.95
3	Sale consideration	5,487.86	78.36
4	Number of Transactions	15,853	247
5	Weighted average remaining Maturity(In months)	24	24
6	Weighted average holding period after Origination(In months)	24	24
7	Retention of beneficial economic interest	13.21%	13.21%
8	Coverage of tangible Security Coverage	NA	NA
9	Rating wise distribution of rated loans	NA	NA
10	Number of instances (transactions) where transferred as agreed to replace the transferred loans	NA	NA
11	Number of transferred loans replaced	NA	NA

Notes:

- i) The Company has not transferred any non-performing assets (NPAs)
- ii) The Company has not acquired any stressed loan.

48.2 Details of non-performing financial assets purchased/sold

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) No. of accounts sold	204.00	-
ii) Total amount outstanding as on the date of sale	30.05	-

48.3 Details of financial assets sold to securitisation/ reconstruction company for asset reconstruction

The Company has not sold any financial assets to securitisation/ reconstruction Company for asset reconstruction during the year ended March 31, 2025 and March 31, 2024.

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

49 Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2025

Particulars	Upto 7 days	Over 08 days upto 14 days	Over 15 days upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Borrowings & Debt securities	487.82	158.86	4,410.36	4,184.69	4,136.30	14,675.32	24,390.82	27,334.79	-	-	79,778.95
Loans	2,191.22	2,836.81	3,350.26	5,499.05	5,356.85	16,174.63	18,695.49	26,413.53	3,970.42	-	84,488.27
Investments	-	-	-	-	-	-	-	-	-	3,951.61	3,951.61

Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2024

Particulars	Upto 7 days	Over 08 days upto 14 days	Over 15 days upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Borrowings & Debt securities	438.84	233.43	1,857.60	4,350.23	3,970.33	16,049.86	24,619.56	43,721.16	-	-	95,241.02
Loans	2,507.40	3,246.15	3,833.69	6,292.53	6,129.81	18,508.53	23,524.82	30,224.84	2,473.34	-	96,741.12
Investments	-	-	-	-	-	-	-	-	-	3,951.61	3,951.61

Notes:

(i) All borrowings are disclosed based on the contractual maturities.

(ii) There are no breach of covenants during the year and there are no default in repayment of borrowings during the year.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

50 Exposure to real estate sector

Particulars	As at March 31, 2025	As at March 31, 2024
A. Direct exposure		
i) Residential mortgages (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented)	-	-
ii) Commercial real estate: (Lending secured by mortgages on commercial real estates office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi - tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits)	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a) Residential	-	-
b) Commercial real estate	-	-
B. Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	-	-

51 Exposure to capital market

The Company does not have any exposure to capital market as at March 31, 2025 and March 31, 2024.

52 Sectoral Exposure

Sector	As at March 31, 2025			As at March 31, 2024		
	Total On balance sheet exposure	Gross NPA	Percentage of Gross NPAs to total on balance sheet in that sector	Total On balance sheet exposure	Gross NPA	Percentage of Gross NPAs to total on balance sheet in that sector
1. Agriculture and Allied Activities	16,750.95	296.81	1.77%	10,601.95	560.46	5.29%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	383.01	1.32	0.35%	1,233.86	198.39	16.08%
4. Personal Loans	3,591.23	231.83	6.46%	-	-	0.00%
5. Others	-	-				
(i) Corporate Borrowers	3,947.15	-	0.00%	-	-	0.00%
(ii) Others	59,815.93	3,480.16	5.82%	84,905.31	1,424.18	1.68%

53 Intra-group exposures

The Company has no intra-group exposure for the year ended March 31, 2025 and March 31, 2024.

54 Unhedged foreign currency exposure

The Company has no unhedged foreign currency exposure for the year ended March 31, 2025 and March 31, 2024.

55 Details of financing of parent company products

The Company has not financed parent company products for the year ended March 31, 2025 and March 31, 2024.

56 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company does not have single or group borrower lending exceeding the limits during the year ended March 31, 2025 and March 31, 2024.

57 Unsecured advances

The Company has not extended any advances where the collateral is an intangible asset such as a charge over rights, licenses, authorisations, etc.
The unsecured advances disclosed in Note 7 are without any collateral or security.

58 Registration obtained from other financial sector regulators:-

The Company is registered with the following other financial sector regulators:
(a) Securities and Exchange Board of India (SEBI)

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

59 Related party transactions

Please refer to Note No. 39 for related party transactions and related disclosures.

60 Provisions and contingencies

Asset Classification as per RBI Norms March 31, 2025	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
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	76,182.22	806.76	75,375.46	304.73	502.03
	Stage 2	4,295.92	1,634.28	2,661.64	17.18	1,617.10
Subtotal		80,478.14	2,441.04	78,037.10	321.91	2,119.12
Non-Performing assets (NPA)						
Substandard	Stage 3	4,010.13	2,851.71	1,158.42	401.01	2,450.69
Doubtful - up to 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		4,010.13	2,851.71	1,158.42	401.01	2,450.69
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	384.70	-	-	384.70
	Stage 2	-	396.55	-	-	396.55
	Stage 3	-	-	-	-	-
Subtotal		-	781.25	-	-	781.25
Total	Stage 1	76,182.22	1,191.46	75,375.46	304.73	886.73
	Stage 2	4,295.92	2,030.83	2,661.64	17.18	2,013.65
	Stage 3	4,010.13	2,851.71	1,158.42	401.01	2,450.69
	Total	84,488.27	6,073.99	79,195.52	722.93	5,351.07

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Asset Classification as per RBI Norms March 31, 2024	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
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	92,237.54	796.44	91,441.10	368.95	427.49
	Stage 2	2,320.55	848.27	1,472.28	9.28	838.99
Subtotal		94,558.09	1,644.71	92,913.38	378.23	1,266.48
Non-Performing assets (NPA)						
Substandard	Stage 3	2,183.03	2,136.98	46.05	218.30	1,918.68
Doubtful - up to 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		2,183.03	2,136.98	46.05	218.30	1,918.68
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	64.20	-	-	64.20
Subtotal		-	64.20	-	-	64.20
Total	Stage 1	92,237.54	796.44	91,441.10	368.95	427.49
	Stage 2	2,320.55	848.27	1,472.28	9.28	838.99
	Stage 3	2,183.03	2,201.18	46.05	218.30	1,982.88
Total	Total	96,741.12	3,845.89	92,959.43	596.53	3,249.36

Note: The above figures represent provisions determined in accordance with Asset Classification and Provisioning Norms as stipulated under Master Directions (IRAC norms of RBI)

60.1 Provisions and contingencies

Break up of 'Provisions and contingencies' shown under the head expenditure in the Statement of Profit and Loss	As at March 31, 2025	As at March 31, 2024
Provision towards NPA	1,714.73	(2,463.54)
Provision for standard assets	(203.68)	568.02
Provision made towards income tax	-	-
Other Provision and contingencies (with details)		
i) Provision for gratuity*	61.63	36.58
ii) Provision for ESOP	221.40	874.03
iii) Provision for Bonus	300.00	640.56
iv) Provision for FLDG Liability	717.05	63.19
v) Provision for fraud	-	-
vi) Provision for other receivables	(2.60)	2.60

* Includes actuarial gain/(loss) classified under other comprehensive income.

61 Draw down from reserves

There has been no draw down from reserve during the year ended March 31, 2025 and March 31, 2024.

62 Gold Loans

The company has no loans outstanding for the year ended March 31, 2025 and March 31, 2024 against gold.

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four NPA accounts	17.56	479.28



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

64 Movement of NPAs

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
(i)	Net NPAs to net advances (%)	1.42%	1.09%
(ii)	Movement of NPAs (Gross)		
(a)	Opening balance	2,183.00	3,614.00
(b)	Additions during the year	14,370.16	3,636.31
(c)	Reductions during the year	(12,542.96)	(5,067.31)
(d)	Closing balance	4,010.20	2,183.00
(iii)	Movement of Net NPAs		
(a)	Opening balance	1,046.02	1,629.70
(b)	Additions during the year	112.47	-
(c)	Reductions during the year	-	(583.67)
(d)	Closing balance	1,158.50	1,046.02
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Opening balance	1,136.98	1,984.30
(b)	Provisions made during the year (net of reversals)	14,257.69	4,219.98
(c)	(Write-off)/write-back of excess provisions (net)	(12,542.96)	(5,067.31)
(d)	Closing balance	2,851.71	1,136.98



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

65 Disclosure as required by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated 19 October, 2023

Particulars	As at March 31, 2025		As at March 31, 2024	
	Outstanding	Overdue	Outstanding	Overdue
Liabilities side:				
1 Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid				
(a) Debentures				
: Secured	7,374.16	-	-	-
: Unsecured	23,886.95	-	32,392.49	-
(other than falling within the meaning of Public deposits)				
(b) Deferred credits	-	-		
(c) Term loans (secured)	48,517.84	-	61,048.53	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Public deposits	-	-	-	-
(g) Other loans:				
Other unsecured loans against assets of the Company	-	-	-	-
Secured loans against assets of the Company	-	-	-	-
Overdraft facility	-	-	-	-
2 Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
Assets side :			As at March 31, 2025 Outstanding	As at March 31, 2024 Outstanding
3 Break-up of Loans and advances including bills receivables (other than those included in (4) below) :				
(a) Secured			-	3,478.40
(b) Unsecured			84,488.27	93,262.72
4 Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities				
(I) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease			-	-
(b) Operating lease			-	-
(II) Stock on hire including hire charges under sundry debtors :				
(a) Assets on hire			-	-
(b) Repossessed assets			-	-
(III) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed			-	-
(b) Loans other than (a) above			-	-
5 Break-up of Investments :				
Current Investments :				
1. Quoted :				
(I) Shares :				
(a) Equity			-	-
(b) Preference				
(II) Debentures and bonds			-	-
(III) Units of mutual funds			-	-
(IV) Government securities			-	-
(V) Others (please specify)			-	-

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

65 Disclosure as required by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated 19 October, 2023:

Particulars	As at March 31, 2025 Outstanding	As at March 31, 2024 Outstanding
Asset side:		
2. Unquoted :		
(I) Shares :		
(a) Equity	-	-
(b) Preference		
(II) Debentures and bonds	-	-
(III) Units of mutual funds	-	-
(IV) Government securities	-	-
(V) Others (please specify)*	-	-
(a) Certificate of deposit	-	-
(b) Commercial paper	-	-
Long Term Investments :		
1. Quoted :		
(I) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(II) Debentures and bonds	-	-
(III) Units of mutual funds	-	-
(IV) Government securities	-	-
(V) Others (please specify)	-	-
2. Unquoted :		
(I) Shares :		
(a) Equity	3,951.61	3,951.61
(b) Preference	-	-
(II) Debentures and bonds	-	-
(III) Units of mutual funds	-	-
(IV) Government securities	-	-
(V) Others (please specify)	-	-

* In Pass Through Certificates (PTC) representing securitisation of loan receivables

66 Disclosure as required by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated 19 October, 2023 is as under:

66.1 Borrower group-wise classification of assets financed:

Category	As at March 31, 2025				As at March 31, 2024			
	Secured	Unsecured	Provision	Total	Secured	Unsecured	Provision	Total
1. Related parties								
(a) Subsidiaries	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-
2. Other than related parties	-	84,488.27	(5,292.74)	79,195.53	3,478.40	93,262.72	(3,781.69)	92,959.43
Total	-	84,488.27	(5,292.74)	79,195.53	3,478.40	93,262.72	(3,781.69)	92,959.43

Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

Category	As at March 31, 2025	As at March 31, 2024
	Market value/ Breakup or fair value or NAV	Market value/ Breakup or fair value or NAV
1. Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group (Refer note below)	877.29	801.09
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	877.29	801.09

Other information

Category	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing assets		
(a) Related parties	-	-
(b) Other than related parties	4,010.20	2,183.00
(ii) Net Non-Performing assets		
(a) Related parties	-	-
(b) Other than related parties	1,158.50	1,046.02

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

67 Public disclosure on Liquidity risk management

a) Funding concentration based on significant Counterparty* (both deposits/ borrowings)

As at March 31, 2025

Number of significant counterparties	Amount	% of Total Deposit	% of Total Liabilities
14	46,153.10	NA	53.55%

As at March 31, 2024

Number of significant counterparties	Amount	% of Total Deposit	% of Total Liabilities
17	59,852.31	NA	60.23%

b) Top 20 large deposits (amount in ₹ lakhs and % of total deposits)

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

c) Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)

	Amount	% of Total Borrowings
As at March 31, 2025	42,885.89	53.76%

	Amount	% of Total Borrowings
As at March 31, 2024	46,900.62	49.24%

d) Funding concentration based on significant instrument / product

Name of the instrument/ product	As at March 31, 2025	% of Total Liabilities	As at March 31, 2024	% of Total Liabilities
Term loans from Banks	19,988.50	23.19%	20,148.72	20.27%
Term Loans from Financial Institutions	28,529.34	33.10%	40,899.81	41.16%
Non Convertible debentures	31,261.11	36.27%	34,192.49	34.41%

e) Stock Ratios

As at March 31, 2025

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Non-convertible debentures (original maturity of less than one year)	NA	0.00%	0.00%
Other short-term liabilities	NA	6.28%	4.53%

As at March 31, 2024

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Non-convertible debentures (original maturity of less than one year)	NA	0.00%	0.00%
Other short-term liabilities	NA	4.09%	3.18%

***Notes**

(i) A "significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC.

(ii) A "significant instrument/ product" is defined as a single instrument/ product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

(iii) Total Liabilities has been computed as sum of all liabilities and equity (Balance sheet figure) less equities and reserve/surplus.

(iv) Public Funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but exclude funds raised by issue of instruments compulsory convertible into equity shares with in a period not exceeding 10 years from the date of issue as defined in Regulatory Framework For Core Investment Companies issued via Notification No. DNBS (PD) CC.No206/03.10.001/2010-11 dated January 5, 2011.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

68 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	72.18	89.26
The amount of interest paid by the buyer in terms of section 16 of the MSMED 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 the MSMED Act, 2006.	-	-
The amount of interest accrued and remains unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in 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 MSMED Act, 2006.	-	-

69 Overseas assets (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint venture or subsidiary abroad as on March 31, 2025 and March 31, 2024.

70 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-balance sheet SPVs as at March 31, 2025 and March 31, 2024.

71 Customer complaints

Particulars	As at March 31, 2025	As at March 31, 2024
Complaints received from its customers		
1) Number of complaints pending at the beginning of the year	-	-
2) Number of complaints received during the year	1,382	54
3) Number of complaints disposed during the year	1,297	54
- Out of which, number of complaints rejected	-	-
4) Number of complaints pending at the end of the year	85	-
Maintainable complaints received from Office of Ombudsman		
5) Number of maintainable complaints received from Office of Ombudsman	-	-
- number of complaints resolved in favour of the Company by Office of Ombudsman	-	-
- number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
- number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6) Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

71 Customer complaints (cont'd.)

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
Current year					
Insurance claim settlement	0	8	100%	3	0
Digital Transactions	0	135	6650%	13	1
Credit Bureau Report	0	595	1351%	34	9
Recovery Practices	0	29	2800%	0	0
Discourteous	0	22	100%	0	0
Loan Related	0	469	5111%	28	0
Others	0	124	12300%	7	3
Total	0	1382		85	13
Previous year					
Insurance claim settlement	0	0	0%	0	0
Digital Transactions	0	2	0%	0	0
Credit Bureau Report	0	41	925%	0	0
Recovery Practices	0	1	0%	0	0
Discourteous	0	0	0%	0	0
Loan Related	0	9	-18%	0	0
Others	0	1	-67%	0	0
Total	0	54		0	0

72 Information on instances of fraud

Instances of fraud reported for the year ended March 31, 2025:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount Provided
Fraud committed by staff	-	-	-	-
Fraud committed by other than staff - Theft	-	-	-	-
Fraud committed by other than staff - Misappropriation of funds and Criminal Breach of Trust	6	441.61	104.62	336.99
Fraud committed by other than staff - Corruption and Bribe	-	-	-	-

Instances of fraud reported for the year ended March 31, 2024:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount Provided
Fraud committed by staff				
Fraud committed by other than staff - Theft				
Fraud committed by other than staff - Misappropriation of funds and Criminal Breach of Trust	2	3,082.32	1.00	3,081.32
Fraud committed by other than staff - Corruption and Bribe	-	-	-	-



73 ESOP Disclosures

ESOPs movement (equity plan)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Option outstanding at the beginning of the year	3,86,96,658	3,70,83,178
Granted during the year	14,56,594	29,89,558
Exercised during the year	-	75,000
Forfeited during the year	3,62,150	13,01,078
Option outstanding at the End of the year	3,97,91,102	3,86,96,658

Employee Share-Based Payment Plans

Type of arrangement	Senior management stock option plan	General employee stock option plan	Senior management stock appreciation plan (Cash settled)
Date of grant	Various Dates	Various Dates	15-01-2021
Number granted	3,41,90,995	1,12,53,814	2,26,10,000
Contractual life	Various life	Various life	Various life
Vesting conditions	it may vary from an Employee to Employee or class of Employees for business/ divisions to business/ divisions	it may vary from an Employee to Employee or class of Employees for business/ divisions to business/ divisions	it may vary from an Employee to Employee or class of Employees for business/ divisions to business/ divisions



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

74 Analytical Ratios

Ratios	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Variance	Reason for variance
Capital to risk-weighted assets ratio	28,659.90	1,07,263.38	26.72%	20.15%	32.58%	#
Tier I CRAR	27,853.14	1,07,263.38	25.97%	20.15%	28.85%	#
Tier II CRAR	806.76	1,07,263.38	0.75%	0.00%	100.00%	#

CRAR increased as there is capital infusion during the period and reduction in RWA as on Balance sheet date compared to previous year.

75 Penalties and Strictures

No penalties have been levied by any other regulator on the Company during the year ended March 31, 2025.

76 With reference to RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated October 19, 2023, no loans and advances were given to Directors and their relatives, Entities associated with directors and their relatives, Senior officers and their relatives during the year ended March 31, 2025.

77 Additional Disclosures as per Schedule III of the Companies Act, 2013

- The company recorded all transactions and there is no additional surrendered or disclosed income during the year in the tax assessments under the Income Tax Act, 1961. There is no such income which was previously unrecorded, but subsequently recorded in the books of accounts during the year.
- There are no transactions with struck off companies during the year ended March 31, 2025 and March 31, 2024.
- The Company has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2025 and March 31, 2024.
- The Company does not have any Benami property. No proceedings have been initiated or are pending against the Company for holding any Benami property.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- There are no charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- Utilisation of Borrowed funds and share premium:
 - The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to 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 to or on behalf of the Ultimate Beneficiaries;
 - The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355
Notes forming part of the standalone financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

h) The Company has not deviated in any compliance with the requirements of Companies Act, 2013, including with respect to compliance with the Indian Accounting Standards.

78 The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

For and on behalf of the Board of Directors of
Avanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 004532S

Vijay Laxman Kelkar
Director
DIN: 00011991

Bengaluru
27-05-2025

Rahul Gupta
Director
DIN: 09247626

Bengaluru
27-05-2025

K.P. SRINIVAS
Partner
Membership No.208520

Bengaluru
27-05-2025

Sushil Thaker
Chief Financial officer

Bengaluru
27-05-2025

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Mumbai
27-05-2025





Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Avanti Finance Private Limited,
Bengaluru

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Avanti Finance Private Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of Material accounting policy and other explanatory information for the year ended on that date (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2025, its Consolidated loss, Consolidated total comprehensive loss, the Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards 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 Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 the 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 audit opinion on the Consolidated Financial Statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on loan assets Refer note 3.4 of material accounting policy information and note 7 for the outstanding loan assets and note 41 (i) of the Consolidated Financial Statements for credit risk disclosures. As at March 31, 2025, the Group has reported gross loan assets of Rs. 85,508.53 lakhs against which an impairment loss of Rs. 5,337.65 lakhs has been recorded. The Group recognised impairment provision for loan assets based on the expected credit loss approach laid down under 'Ind AS 109 – Financial Instruments'. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The calculation of expected credit losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions which could have a material impact on reported profits/ (losses). The Group has applied a three-stage approach based on changes in credit quality to measure	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Obtained an understanding of the modelling techniques adopted by the Group including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Considered the Group's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind-AS 109. • Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals;

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Key audit matter	How the matter was addressed in our audit
expected credit loss on loans which is as follows: • If the loan is not credit-impaired on initial recognition, then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Group i.e. the default in repayment is within the range of 0 to 29 days and classified as Standard Assets as per IRAC Norms. • If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 30 to 89 days and classified as Standard Assets as per IRAC Norms. • If the loan is credit-impaired, it is then moved to 'Stage 3' i.e. the default in repayment is 90 days or more and classified as Non-Performing Assets as per IRAC Norms. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement and assumptions involved in measuring ECL is required with respect to: • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Group's internally developed statistical models, other historical data and trends observed during systemic and non-system scenarios.	• Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically. • Assessed the appropriateness and adequacy of the related presentation and disclosures of note 41 "Risk Management" disclosed in the Consolidated Financial Statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.



Information other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises Board of Directors' report and annexures to that report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report 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 and will 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 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibility 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 and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereafter.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.





The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

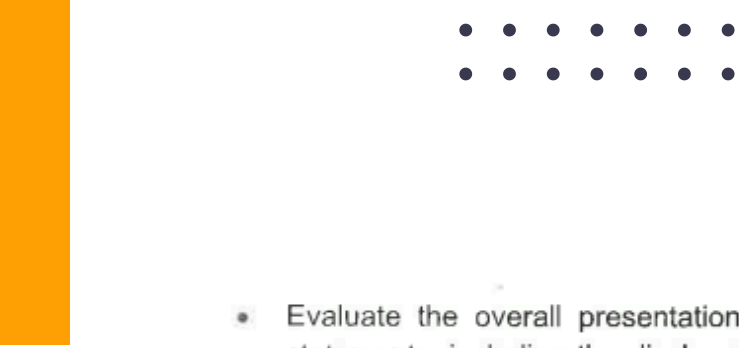
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 SAs 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 SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 Group 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 Group to cease to continue as a going concern.



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- 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.
 - Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, 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 business activities included in the consolidated financial statements, which have been audited by the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period 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.

Other Matters

We have not audited the financial statements subsidiary, whose financial statements reflect total assets of Rs. 1,001.82 lakhs as at March 31, 2025, total revenues of Rs. 193.53 lakhs and net cash flows amounting to Rs. 6.24 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements of the subsidiary have been audited by their auditor whose audit 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 amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to this subsidiary, is based solely on such report of the other auditor of



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subsidiary. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditor.

The Consolidated Financial Statements of the Company for the year ended March 31, 2024 were audited by M/s. M.P. Chitale & Co, Chartered Accountants, who have expressed unmodified opinion vide their audit report dated September 26, 2024, whose reports have been furnished to us which have been relied upon by us for the purpose of our audit of the Consolidated Financial Statements. Accordingly, we do not express any opinion on figures reported in the consolidated financial statements for the year ended March 31, 2024.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, 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 have been kept by the Holding Company and Subsidiary so far as it appears from our examination of those books, except that the back-up of the accounting software used for maintaining general ledger which forms part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the year;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary and taken on record by the Board of Directors of the Holding Company, its subsidiary and the report of the auditors of the subsidiary, none of the directors of the Holding Company, its subsidiary are disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act.



- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) 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:

Section 197 relating to managerial remuneration applies only to a public company and is not applicable to a private company. Accordingly, compliance with the requirements of section 197 does not arise.

- i) 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 auditor of subsidiary:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 37 to the consolidated financial statements.
 - ii. The Group has not entered into any long-term contracts including derivative contracts that could have any material foreseeable losses.
 - iii. No amounts were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
 - iv.
 - a) Based on the representation of the management of the Holding Company and the representation of the management of the subsidiary to its auditor, to the best of their knowledge and belief, 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 Holding Company and its subsidiaries 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 Holding Company and its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) Based on the representation of the management of the Holding Company and the representation of the management of the subsidiary to its auditor, to the best of their



knowledge and belief, no funds have been received by the Holding Company and its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiaries 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;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us on the Holding Company and by the auditors of the subsidiary, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Holding Company and the Subsidiary Company have not declared or paid any interim or final dividend during the year, hence reporting under Rule 11(f) is not applicable.
 - vi. According to the information and explanations given to us by the Holding Company and based on our examination which included test checks and that performed by the auditor of the subsidiary, Holding Company and the subsidiary company have used accounting software for maintaining its books of account which has 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. During the course of our audit, we did not come across any instances of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the holding Company and subsidiary company as per the statutory requirements for record retention.
2. 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, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and CARO reports issued by the auditor of subsidiary included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Srinivas . K . P .

K P SRINIVAS
Partner

M No.208520

UDIN: 25208520BMODTW2055

Place: Bengaluru
Date : 27.05.2025

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 1(F) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT OF 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 the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to financial statements of **Avanti Finance Private Limited** (hereinafter referred to as "the Group") which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to financial statements (the "Guidance Note") issued by The Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by auditor of subsidiary in terms of their report referred to in the other matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal financial controls with reference to financial statements

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 these consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to 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 these consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to these 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 and based on the consideration of report of the auditor of the subsidiary, the Holding Company and its subsidiary, have, in all material respects, adequate internal financial controls system with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2025, based on the internal controls with reference to financial statements criteria established by the Holding Company and its subsidiary considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

Other matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls with reference to financial statements in so far as it relates to the subsidiary is based on the report of the auditor of the subsidiary.

Our opinion is not modified in respect of the above matter.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

Place: Bengaluru
Date : 27.05.2025

K P SRINIVAS
Partner
M.No.208520
UDIN: 25208520BMODTW2055



**Avanti Finance Private Limited CIN:
U65929KA2016PTC138355 Consolidated
Balance Sheet as at March 31, 2025**

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	22,524.21	20,645.65
Bank balance other than cash and cash equivalents	5	3,002.82	3,618.15
Receivables :	6		
i) Trade Receivables		1,008.44	275.15
ii) Other Receivables		376.47	400.57
Loans	7	80,170.88	93,780.75
Other financial assets	8	2,766.42	906.51
2 Non-financial assets			
Property, plant and equipment	9	99.99	37.92
Right of use assets	10	144.54	139.54
Goodwill	11	747.32	747.32
Other intangible assets	12	4,440.03	1,496.79
Other non-financial assets	13	1,950.94	3,389.12
Total assets		1,17,232.06	1,25,437.47
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables			
(I) Trade payables	14		
(i) total outstanding dues of micro enterprises and small enterprises		72.18	89.26
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,392.36	1,418.23
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	
Debt securities	1	31,261.11	34,192.49
Borrowings (other than debt securities)	5	48,517.84	61,048.53
Other financial liabilities	1	2,782.89	1,552.02
2 Non-financial liabilities	6		
Provisions	1	1,928.49	968.80
Other non-financial liabilities	8	257.16	136.84
Total liabilities	1		
	9	86,212.01	99,406.17

Avanti Finance Private Limited CIN:
U65929KA2016PTC138355 Consolidated
Balance Sheet as at March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
3 Equity			
Equity share capital	2	15,090.72	15,090.72
Instruments entirely Equity in nature	0	34,452.98	24,512.30
Other equity	2	(18,523.65)	(13,571.72)
	0		
Total equity	2	31,020.05	26,031.29
	1		
Total liabilities and equity		1,17,232.06	1,25,437.47

Material accounting policy information and the accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
Avanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 004532S

Vijay Laxman Kelkar
Director
DIN: 00011991

Rahul Gupta
Director
DIN: 09247626

K.P. SRINIVAS
P ar tner
Membership No.208520

Bengaluru
27-05-2025

Bengaluru
27-05-2025

Bengaluru
27-05-2025

Sushil Thaker
ChiefFinancial officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
27-05-2025

Mumbai
27-05-2025



Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations			
(i) Interest income	22	26,218.74	21,894.48
(ii) Fees and commission income	23	5,412.54	1,162.41
(iii) Net gain on fair value changes	24	501.82	274.06
(iv) Net gain on de-recognition of financial instruments under amortised cost category	25	317.64	818.15
(v) Other operating income	26	6,684.49	1,032.65
(I) Total revenue from operations		39,135.23	25,181.75
(II) Other income	27	322.51	27.96
(III) Total income (I + II)		39,457.74	25,209.71
Expenses			
(i) Finance costs	28	10,782.05	8,219.06
(ii) Fee and commission expense	29	11,778.19	7,461.13
(iii) Impairment of financial instruments	30	17,688.83	3,747.27
(iv) Employee benefits expenses	31	4,252.83	3,650.53
(v) Depreciation and amortisation expenses	32	527.35	526.56
(vi) Other expenses	33	6,550.56	2,923.26
(IV) Total expenses		51,579.82	26,527.81
(V) Profit/(Loss) before exceptional items and tax (III - IV)		(12,122.08)	(1,318.10)
(VI) Exceptional items		-	-
(VII) Profit/(Loss) before tax (V - VI)		(12,122.08)	(1,318.10)
(VIII) Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
(IX) Profit for the year after tax (VII- VIII)		(12,122.08)	(1,318.10)
(X) Profit for the year (IX)		(12,122.08)	(1,318.10)
(XI) Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		(15.59)	(1.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		(15.59)	(1.26)
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income		(15.59)	(1.26)
(XII) Total comprehensive income for the year (X+XI)		(12,137.67)	(1,319.36)
(XIII) Earnings per equity share (EPS) (face value of ₹ 10.00 each)	34		
Basic (₹)		(8.03)	(0.87)
Diluted (₹)		(8.03)	(0.87)

Material accounting policy information and the accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
Avanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 004532S

Vijay Laxman Kelkar
Director
DIN: 00011991
Bengaluru
27-05-2025

Rahul Gupta
Director
DIN: 09247626
Bengaluru
27-05-2025

K.P. SRINIVAS
Partner
Membership No.208520
Bengaluru
27-05-2025

Sushil Thaker
Chief Financial officer
Bengaluru
27-05-2025

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475
Mumbai
27-05-2025



Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Consolidated Cash Flow Statement for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	(12,122.08)	(1,318.10)
Depreciation and amortisation expenses	527.35	526.56
Impairment of financial instruments	14,108.57	3,179.50
Loss allowance on financial guarantee	3,580.26	63.64
Finance costs	10,782.05	8,219.06
Interest income on deposits	(443.42)	(186.37)
Net gain on fair value changes on investments	(501.82)	(274.06)
ESOP compensation expense	471.79	334.38
Operating profit before working capital changes	16,402.71	10,544.60
Movements in working capital:		
(Increase) / Decrease in Trade receivables	(733.29)	(277.75)
(Increase) / Decrease in Other receivables	24.09	-
(Increase) / Decrease in Loans	(498.70)	(42,491.21)
(Increase) / Decrease in Other financial assets	(1,850.71)	(1,282.58)
(Increase) / Decrease in Other non financial assets	(285.55)	(2,439.56)
Increase / (Decrease) in Trade and Other payables	(42.96)	142.35
Increase / (Decrease) in Other financial liabilities	(2,289.69)	777.81
Increase / (Decrease) in Other non financial liabilities	120.32	340.46
Increase / (Decrease) in Provision	656.24	448.77
(Increase) / Decrease in Bank Balance other than cash and cash equivalents	615.33	(3,606.92)
Cash used in operations	12,117.79	(37,844.04)
Direct taxes paid (includes tax deducted at source, net of refunds)	(421.26)	(176.90)
Net cash flows used in operating activities (A)	11,696.52	(38,020.94)
B. Cash flow from investing activities		
Net acquisition of property, plant and equipment and intangible assets including intangible assets under development (net of capital advances)	(1,392.65)	(1,496.99)
Interest received on deposits	443.42	186.37
Net gain on sale of mutual funds	501.82	274.06
Net cash flows used in investing activities (B)	(447.41)	(1,036.56)
C. Cash flow from financing activities		
Proceeds from issue of Equity shares	-	7.50
Proceeds from issue of instruments entirely in equity in nature (including securities premium)	16,942.49	4,100.00
Lease Payments	(68.90)	(25.07)
Interest & charges paid on borrowings	(10,782.05)	(8,219.06)
Share application money received	-	(3,279.99)
Net proceeds from/ (repayment of) borrowings	(15,462.08)	46,460.32
Net cash flows from financing activities (C)	(9,370.54)	39,043.70
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,878.56	(13.80)
Cash and cash equivalents at the beginning of the year	20,645.65	20,659.45
Cash and cash equivalents at the end of the year	22,524.21	20,645.65

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	For the year ended March 31, 2025	For the year ended 31 March 2024
i) Cash on hand	0.03	20.70
ii) Balances with banks (of the nature of cash and cash equivalents)	22,524.19	20,624.95
Total	22,524.21	20,645.65

Material accounting policy information and the accompanying notes form an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of
Ayanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 004532S

Vijay Laxman Kelkar
Director
DIN: 00011991

Rahul Gupta
Director
DIN: 09247626

K.P. SRINIVAS
Partner
Membership No.208520

Bengaluru
27-05-2025

Bengaluru
27-05-2025

Bengaluru
27-05-2025

Sushil Thaker
Chief Financial officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
27-05-2025

Mumbai
27-05-2025

A rectangular array of dots arranged in 7 rows and 4 columns. Each row contains 4 dots, and there are 7 rows in total.

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,08,32,193	15,083.22
Changes in Equity share capital during the year	-	-	75,000	7.50
As at the end of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72

A. Equity share capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
	15,090.72	-	-	15,090.72

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
	15,083.22	-	7.50	15,090.72

B. Instruments entirely equity in nature

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	24,51,22,955	24,512.30	23,08,42,216	23,084.22
Changes during the year	9,94,06,800	9,940.68	1,42,80,739	1,428.07
As at the end of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30

C. Other equity

Particulars	Equity component of compound financial Instruments	Reserves and Surplus					Other comprehensive Income (Remeasurement gain/(loss) of defined benefit plan)	Total
		Securities premium account	Statutory reserve - Reserve fund u/s 45-IC of RBI Act 1934	Esop Reserve	Debtenture redemption reserve	Retained earnings		
Balance as at March 31, 2024	-	10,687.71	-	239.08	-	(24,483.79)	(14.72)	(13,571.72)
Profit/(Loss) for the year	-	-	-	-	-	(12,122.08)	-	(12,122.08)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(15.59)	(15.59)
Addition to ESOP Reserve	-	-	-	183.94	-	-	-	183.94
Issue of Instruments entirely equity in nature (net of issue expenses)	-	7,001.80	-	-	-	-	-	7,001.80
Balance as at March 31, 2025	-	17,689.51	-	423.02	-	(36,605.87)	(30.31)	(18,523.65)



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Consolidated Statement of Changes in Equity for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Other comprehensive Income (Remeasurement gain/(loss) of defined benefit plan)	Total
		Securities premium account	Statutory reserve - Reserve fund u/s 45-IC of RBI Act 1934	Esop Reserve	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2023	-	8,015.78	-	71.89	-	(23,165.47)	(13.46)	(15,091.26)
Profit/(Loss) for the year	-	-	-	-	-	(1,318.10)	-	(1,318.10)
Other comprehensive income (net of tax)	-	-	-	-	-	-	(1.26)	(1.26)
Addition to ESOP Reserve	-	-	-	167.19	-	-	-	167.19
Issue of instruments entirely equity in nature (net of issue expenses)	-	2,671.93	-	-	-	-	-	2,671.93
Dividend payable on preference shares	-	-	-	-	-	(0.22)	-	(0.22)
Balance as at March 31, 2024	-	10,687.71	-	239.08	-	(24,483.79)	(14.72)	(13,571.72)

For and on behalf of the Board of Directors of
Avanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 0045325

Vijay Laxman Kelkar Director DIN: 00011991 Bengaluru 27-05-2025	Rahul Gupta Director DIN: 09247626 Bengaluru 27-05-2025	K.P. SRINIVAS Partner Membership No. 208520 Bengaluru 27-05-2025
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Sushil Thaker Chief Financial officer Bengaluru 27-05-2025	Urvashi P. Bahlirsheth Company Secretary &CCO ACS 37475 Mumbai 27-05-2025
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Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

1. Corporate Information

Avanti Finance Private Limited (“the Company”/ “AFPL”) 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 June 23, 2017.

The Company is treated as a middle layer Non-Banking Financial Company as the assets size of the group (consolidated assets size of the Company and its subsidiary Company put together) INR 1000 Crores and above (by virtue of RBI Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated October 19, 2023).

2. Basis of preparation & Consolidation

Principles & Basis of Consolidation

The consolidated financial statements include accounts of Company and its subsidiary. Subsidiary undertakings are those companies in which AFPL, directly or indirectly, having an interest of more than one half of voting power or otherwise have the power to exercise control over the operations. Subsidiary is consolidated from the date on which effective control is transferred to the Group till the date of such control exists. The consolidated financial statements have been prepared in accordance with historical cost convention, the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

The consolidated financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with the Indian Accounting Standard (Ind AS) 110 – “consolidated financial statements” issued by the Institute of Chartered Accountants of India.

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate consolidated financial statements.

The Company has one subsidiary company which has been considered in preparation of consolidated financial statements are as under:

Name of Company	Country of Incorporation	Proportion of Equity Interest	Proportion of Equity Interest
		31-Mar-25	31-Mar-24
Avanti Microfinance Private Limited	India	100%	100%

Statement of compliance

These consolidated 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 consolidated financial statements were approved by the Company's Board of Directors on May 27, 2025.

Presentation of consolidated 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 Division III of Schedule III of the Act read 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 Standards vide circular RBI/2019-20/170 DOR (NBFC). CC.PD.No 109/ 22.10.106/2019-20 dated March 13, 2020 and RBI/2020-21/15 DOR (NBFC). CC.PD.No 116/ 22.10.106/2020-21 dated July 24, 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. 36 of the consolidated financial statements.

Basis of measurement

The consolidated 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 consolidated 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.

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:



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended
March 31, 2025

- i. Business model assessment refer para 3.3
- ii. Defined employee benefit assets and liabilities refer para 3.12.2
- 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 3.4
- v. Effective Interest rate refer para 3.1
- vi. Other estimates: These include contingent liabilities (refer para 3.15), useful lives of tangible (refer para 3.9) and intangible assets (refer para 3.10).

3. Material accounting policy information

3.1 Recognition of interest income

The Group 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 Group 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.

Effective Interest Rate (EIR) method: The Group'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.

The Group 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

Fee income

Loan processing fees/ platform 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. Application 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.

Commission income

Revenue from contract with customer performance obligation is satisfied.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread less corresponding direct costs attached is recognised when the related loan assets are de-recognised.

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. The Company accepts First Loss Default Guarantee from partners in accordance with RBI Guidelines and income from invocation of First Loss Default Guarantee is accounted on accrual basis or on the basis of availability of security.

3.3 Financial instruments

Recognition and initial measurement

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at cost 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 costs measured on initial recognition of financial assets or financial liability. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in profit or loss.

Classification and subsequent measurement

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

Financial assets (other than equity)

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

- amortised cost;
- fair value through profit or loss

The classification depends on the Group'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 Group 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
- 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 Group 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 Group subsequently measures all equity investments excluding investment in the subsidiary at fair value through profit or loss, unless the Group'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 (other than equity) is held at a portfolio level because this best reflects the way the business is managed and



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

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 Group'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 Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group 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 particular 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 i.e. par value, 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 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 derecognition 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 Group 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.

De-recognition, modification and transfer
Financial Assets

The Group 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



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

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 Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

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 Group 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.

Financial liabilities

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

The Group 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 Group 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.

For recognition of impairment loss on financial assets, the Group 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 Group 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 Group in accordance with the contract and the cash flows which the Group expects to receive) discounted at an approximation to the EIR.

The Group 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 Group 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 lifetime 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 show 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.

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 Group 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 Group 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(i).

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 expense/ income in the statement of profit and loss.

Financial Guarantee Contracts

The Group'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 Group 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-off

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 Group 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 Group's procedures for recovery of amounts due.

Impairment of trade receivables

The Group 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

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 Group.

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 Group 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 Group has access to at the measurement date.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

The Group 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 Group 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.

3.6 Finance costs

Finance costs represent 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 Group'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.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

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

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 Group in the year of its capitalisation. The Group 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 accordance with Ind AS 115.

3.10 Intangible assets

The Group'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 Group.

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 and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.11 Impairment of non-financial assets

The Group 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 Group 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 Group 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.

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 costs 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 Group has no obligation, other than the contribution payable under the scheme. The Group 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.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

3.12.2 Defined Benefit schemes

Gratuity

The Group 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 Group. The Group 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 Group makes annual contribution to a Gratuity Fund administered by Life Insurance Group Limited or such other insurance Group 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 Group'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. Remeasurement 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.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

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.

3.14 Taxes

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

3.14.1 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 Group 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.

3.14.2 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.

3.14.3 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.

3.15 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 Group 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 Group 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 Group does not have any contingent assets in the financial statements.

3.16 Earnings Per Share

The Group 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 diluted 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.

3.17 Dividend on equity shares

The Group 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 Group. 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.

3.18 Leases

As a lessee The Group 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, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the consolidated financial statements for the year ended March 31, 2025

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 Group is reasonably certain to exercise, lease payments in an optional renewal period
- if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties or/ leases of low value assets that have a lease term of less than 12 months. The Group recognises the lease payments associated with these leases as an expense on actual basis during the lease period.

3.19 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 Group are segregated.

3.20 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 consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.21 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group which will have a material impact.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.03	20.70
Balances with banks and financial institutions		
- Balance with banks in current accounts	6,936.81	5,542.79
- Deposit with banks original maturity less than 3 months	15,587.37	15,082.16
Total	22,524.21	20,645.65

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits for maturity of more than 3 months and upto 12 months	871.10	1,904.57
Other Bank Balances *	2,131.72	1,713.58
Total	3,002.82	3,618.15

*The amount under lien as security are as follows (included above in note 5):

Particulars	As at March 31, 2025	As at March 31, 2024
Security against first loss default guarantee	2,131.72	1,713.58
Total	2,131.72	1,713.58

6 Receivables (at amortised cost)

(I) Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good-secured	-	-
Trade receivables considered good- unsecured	1,008.44	277.75
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	1,008.44	277.75
Less: Impairment loss allowance	-	(2.60)
Total	1,008.44	275.15

(II) Other receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	376.47	400.57
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Total	376.47	400.57
Less: Impairment loss allowance	-	-
Total	376.47	400.57

The Company does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

*Other receivables considered good are expected to be realised within one year.

Note 6.1 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of payment						
	Not Due	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	482.25	526.19	-	-	-	-	1,008.44
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vii) Other receivables – considered good	-	-	-	-	-	-	-

Note 6.2 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payment						
	Not Due	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 – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(vii) Other receivables – considered good	-	-	-	-	-	-	-

7 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
i) Term loans	84,249.44	96,158.68
ii) Working Capital Loans	1,259.09	1,431.90
Total (A) - Gross Less :	85,508.53	97,590.58
Impairment loss allowance	(5,337.65)	(3,809.83)
Total (A) - Net	80,170.88	93,780.75
Secured by Fixed	-	3,478.40
Deposit/Cash Unsecured	85,508.53	94,112.18
Total (A) - Gross	85,508.53	97,590.58
Less: Impairment loss allowance	(5,337.65)	(3,809.83)
Total (A) - Net	80,170.88	93,780.75
Loans in India		
Public sector	-	-
Others	85,508.53	97,590.58
Total - Gross	85,508.53	97,590.58
Less: Impairment loss allowance	(5,337.65)	(3,809.83)
Total - Net	80,170.88	93,780.75

7 Loans (contd.)

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 41 (i) Credit Risk (Impairment assessment).

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade - No over due	73,400.08	-	-	73,400.08	90,900.91	-	-	90,900.91
Standard grade - DPD 1 to 29	3,753.81	-	-	3,753.81	2,175.18	-	-	2,175.18
Standard grade - DPD 30 to 59	-	2,358.72	-	2,358.72	-	987.91	-	987.91
Standard grade - DPD 60 to 89	-	1,974.46	-	1,974.46	-	1,335.47	-	1,335.47
Non- performing								
Sub-standard grade - DPD >= 90*	-	-	4,021.46	4,021.46	-	-	2,190.61	2,190.61
Total	77,153.89	4,333.18	4,021.46	85,508.53	93,076.09	2,323.38	2,190.61	97,590.08

* NPA loans as per IRAC norms has been considered as Sub-standard grade irrespective of DPD.

* There is no divergence in asset classification and provisioning

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is as follows:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	93,076.09	2,323.38	2,190.61	97,590.08	55,855.05	696.03	3,614.25	60,165.33
New assets originated*	64,155.67	-	-	64,155.67	83,810.45	-	-	83,810.45
Movement between stages								
Transferring from Stage 1	(5,713.78)	2,224.20	3,489.57	-	(5,963.65)	2,316.92	3,646.73	-
Transferring from Stage 2	3.20	(23.42)	20.22	-	6.82	(13.41)	6.60	-
Transferring from Stage 3	0.49	0.37	(0.86)	-	8.60	2.41	(11.01)	-
Assets repaid, derecognized and written off	(74,367.78)	(191.35)	(1,678.09)	(76,237.22)	(40,641.17)	(678.56)	(5,065.96)	(46,385.70)
Gross carrying amount - closing balance	77,153.89	4,333.18	4,021.45	85,508.53	93,076.09	2,323.38	2,190.61	97,590.08

* New assets originated is presented net of collections made during the year Note : The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

7 Loans (contd.)

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	1,818.32	849.86	1,141.64	3,809.81	945.31	1,152.63	3,600.50	5,698.45
New assets originated*	881.02	-	-	881.02	1,416.74	0.23	-	1,416.97
Movement between stages	-	-	-	-	-	-	-	-
Transfers from Stage 1	(79.80)	40.05	39.74	-	(100.15)	38.90	61.25	-
Transfers from Stage 2	1.87	(9.65)	7.78	-	11.16	(22.11)	10.95	-
Transfers from Stage 3	0.34	0.16	(0.50)	-	8.57	2.40	(10.96)	-
Additional provision created during the year/(Assets repaid, derecognized, written off & Remeasurement)	(1,794.60)	770.39	1,671.02	646.81	(463.30)	(322.19)	(2,520.11)	(3,305.60)
Impairment allowance - closing balance	827.16	1,650.81	2,859.68	5,337.65	1,818.32	849.86	1,141.64	3,809.82

* New assets originated is presented net of collections made during the year

8 Other financial assets

(unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
FLDG Invoked Receivable	1,754.18	-
EIS receivable on assignment	393.02	885.69
EIS receivable on Co-lending	494.81	-
Receivable under Co-lending	26.84	-
Charge receivable	38.00	-
Receivable from payment gateways	23.33	-
Security rental deposits	36.24	20.82
Total	2,766.42	906.51

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

9 Property, plant and equipment

Particulars	Computer and accessories	Office equipment	Furniture & Fixtures	Electrical equipment	Server and Network equipment	Total
Cost						
As at March 31, 2024	71.39	7.15	6.29	56.18	4.15	145.16
Additions	95.56	2.83	6.03	8.97	-	113.39
Adjustments	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2025	166.95	9.98	12.33	65.15	4.15	258.55
Accumulated depreciation and impairment						
As at March 31, 2024	42.47	2.12	4.30	56.18	2.17	107.24
Charge for the period	33.10	2.18	6.37	8.97	1.08	51.69
Adjustments	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2025	75.57	4.29	10.66	65.15	3.25	158.93
Net carrying amount as at March 31, 2025	91.38	5.69	1.66	(0.00)	0.90	99.99

Particulars	Computer and accessories	Office equipment	Furniture & Fixtures	Electrical equipment	Server and Network equipment	Total
Cost						
As at March 31, 2024	42.51	4.16	3.79	7.63	4.15	62.24
Additions	29.26	2.98	2.50	48.63	-	83.37
Adjustments	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	0.46	-	0.46
As at March 31, 2025	71.77	7.14	6.29	55.80	4.15	145.16
Accumulated depreciation and impairment						
As at March 31, 2024	18.17	0.70	1.46	7.63	1.08	29.05
Charge for the period	24.30	1.42	2.83	49.01	1.09	78.65
Adjustments	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	0.46	-	0.46
As at March 31, 2025	42.47	2.12	4.30	56.18	2.17	107.24
Net carrying amount as at March 31, 2025	29.30	5.02	2.00	(0.38)	1.98	37.92

10 Carrying value of right of use assets at the end of the reporting period by class

Particulars	As at March 31, 2025	As at March 31, 2024
Opening value of right of use assets (Office Premises)	139.54	69.60
Addition to lease assets during the year	72.86	162.92
Termination of lease	4.52	48.55
Less: Amortisation for the year	63.34	44.43
Closing value of right of use assets	144.54	139.54

11 Goodwill

Particulars	As at March 31, 2025	As at March 31, 2024
Goodwill	747.32	747.32
Total	747.32	747.32

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

12 Other intangible assets

Particulars	Computer software
Cost	
As at March 31, 2024	1,948.30
Additions	-
Reversal on disposal of assets	-
As at March 31, 2025	1,948.30
Accumulated amortisation and impairment	
As at March 31, 2024	451.51
Charge for the period	-
Reversal on disposal of assets	-
As at March 31, 2025	451.51
Net carrying amount as at March 31, 2025	4,440.03

Particulars	Computer software
Cost	
As at March 31, 2023	649.43
Additions	1,298.87
Reversal on disposal of assets	-
As at March 31, 2024	1,948.30
Accumulated amortisation and impairment	
As at March 31, 2023	48.04
Charge for the period	403.47
Reversal on disposal of assets	-
As at March 31, 2024	451.51
Net carrying amount as at March 31, 2024	1,496.79

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

13 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Advances	-	2,145.00
TDS Receivable	652.25	230.99
Prepaid expenses	104.45	49.87
Advance to suppliers and others	86.36	66.61
Cash Deposits with Insurers	92.67	-
Balance with statutory authorities (GST Input Tax Credit)*	1,015.20	896.66
Total	1,950.94	3,389.12

*This includes input tax credit of Rs. 33.20 lakhs accounted in books of account which will be claimed in the GST returns on fulfilling the eligibility criteria.

14 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (Ref Note No- 44)	72.18	89.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,392.36	1,418.23
Total	1,464.53	1,507.49

14.1 Trade payables ageing is as follows:

Particulars	As at March 31, 2025					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	72.18	-	-	-	72.18
(ii) Others	1,040.60	351.76	-	-	-	1,392.36
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

Particulars	As at March 31, 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	89.26	-	-	-	89.26
(ii) Others	1,210.14	207.36	0.12	0.31	0.31	1,418.23
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

15 A. Debt securities secured (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Redeemable non-convertible debentures - Secured and listed	7,374.16	-
Redeemable non-convertible debentures - Secured and unlisted	23,886.95	32,392.49
Total (A)	31,261.11	32,392.49

Note: The above debentures are secured by the way of first and exclusive charge over specified unsecured loans of the Company.

B. Debt securities unsecured (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Liability component of compound financial instruments	-	-
Redeemable non-convertible debentures - Unsecured and unlisted	-	1,800.00
Total (B)	-	1,800.00
Total debt securities (A+B)	31,261.11	34,192.49
Debt securities in India	31,261.11	34,192.49
Total	31,261.11	34,192.49

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

16 Borrowings (other than debt securities) (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term loan from Banks - Secured	19,988.50	20,148.72
Term loan from Financial Institutions -Secured	28,529.34	40,899.81
Total	48,517.84	61,048.53
Borrowings in India	48,517.84	61,048.53
Borrowings outside India	-	-
Total	48,517.84	61,048.53

Notes:

- 1) All the borrowings are secured against book debts/ cash collateral with cover in the range of 100% - 125% depending on the agreement with lender
- 2) None of the borrowings are guaranteed by directors or others.

16.1 Terms of debentures

Particulars	Number of debentures (In lakhs)		Face value in ₹	Amount (In Lakhs)	
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
Secured					
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,400.00	2,400.00	1,00,000	2,400.00	2,400.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	250.00	250.00	1,00,000	250.00	250.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	500.00	500.00	10,00,000	5,000.00	5,000.00
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	3,000.00	3,000.00	10,00,000	30,000.00	30,000.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	7,500.00	7,500.00	1,00,000	7,500.00	7,500.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	2,900.00	2,900.00	1,00,000	2,900.00	2,900.00
10.90% Secured, Redeemable, Unlisted, Non-Convertible Debentures	500.00	-	10,00,000	5,000.00	-
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	2,500.00	-	1,00,000	2,500.00	-
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	5,000.00	-	1,00,000	5,000.00	-
12% Secured, Redeemable, listed, Non-Convertible Debentures	-	280	10,00,000	-	2,800.00
12% Secured, Redeemable, listed, Non-Convertible Debentures	-	720	10,00,000	-	7,200.00
Unsecured					
5% Unsecured, Redeemable, Non-Convertible Debentures	-	3,300	1,00,000	-	3,300.00

Note:

The amounts as on March 31, 2025 and March 31, 2024 are outstanding amounts denominated at face value of the respective securities.
There were no delays in repayment of borrowings during FY 2024-25 and FY 2023-24.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

16.2 Terms of repayment of long term borrowings outstanding#

Maturity pattern of debt securities

Original Maturity of loan	Interest rate	Original maturity period	As at March 31, 2025		As at March 31, 2024	
			No. of instalments*	Amount	No. of instalments*	Amount
Quarterly repayment schedule	5%-10%	2 to 3 years	3	1,201.00	15	6,045.69
	12%-15%	2 to 3 years	-	-	6	2,961.30
At the end of tenure / On demand	10%-12%	Upto 2 years	2	10,277.51	2	10,265.83
	10%-12%	2 to 3 years	5	19,782.60	3	14,919.67
Total			10	31,261.11	26	34,192.49

Maturity pattern of borrowings (other than debt securities) - [Term loan from Banks]

Original Maturity of loan	Interest rate	Original maturity period	As at March 31, 2025		As at March 31, 2024	
			No. of instalments*	Amount	No. of instalments*	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	64	13,503.91	56	11,777.54
	10%-12%	2 to 3 years	55	3,478.92	88	5,433.17
	12%-15%	Upto 2 years	2	237.65	-	-
	12%-15%	2 to 3 years	23	1,648.72	26	2,560.94
Quarterly repayment schedule	10%-12%	2 to 3 years	6	1,119.31	-	-
	12%-15%	2 to 3 years	-	-	3	377.07
Total			150	19,988.50	173	20,148.72

Maturity pattern of borrowings (other than debt securities) - [Term loan from Financial Institutions]

Original Maturity of loan	Interest rate	Original maturity period	As at March 31, 2025		As at March 31, 2024	
			No. of instalments*	Amount	No. of instalments*	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	-	-	18	2,625.13
	10%-12%	2 to 3 years	222	12,934.56	294	17,145.05
	12%-15%	Upto 2 years	51	4,538.93	63	5,576.66
	12%-15%	2 to 3 years	61	4,714.63	111	7,485.96
Quarterly repayment schedule	10%-12%	Upto 2 years			-	-
	12%-15%	Upto 2 years			1	250.00
	12%-15%	2 to 3 years	20	6,341.22	22	7,817.01
Total			354	28,529.34	509	40,899.81

*Cumulative installments for all securities/loans

All the above mentioned repayments are disclosed at principal outstanding only as per the contractual maturities at gross values.

16.3 Reconciliation of Financing Activity

Particulars	As at March 31, 2024	Cash flow				Adjustments		As at March 31, 2025
		Additions	Payment	Lease payments	Interest expenses on lease liability & Additions	Upfront fees and amortisation	Termination of Lease	
Debt securities	34,192.49	12,500.00	(10,076.41)	-	-	(354.96)	-	36,261.11
Borrowings (other than debt securities)	61,048.53	27,500.00	(39,836.24)	-	-	(194.45)	-	48,517.84
Lease liability	136.62	-	-	(68.90)	85.31	-	(4.54)	148.49
Total liabilities from financial activities	95,377.64	40,000.00	(49,912.66)	(68.90)	85.31	(549.41)	(4.54)	84,927.44

Particulars	As at March 31, 2023	Cash flow				Adjustments		As at March 31, 2024
		Additions	Payment	Lease payments	Interest expenses on lease liability & Additions	Upfront fees and amortisation	Termination of Lease	
Debt securities	16,291.51	23,300.00	(5,399.02)	-	-	-	-	34,192.49
Borrowings (other than debt securities)	32,723.51	49,250.00	(20,924.98)	-	-	-	-	61,048.53
Lease liability	69.30	-	-	(25.07)	92.39	-	-	136.62
Total liabilities from financial activities	49,084.32	72,550.00	(26,324.01)	(25.07)	92.39	-	-	95,377.64

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Payable towards assignment transactions	1,337.44	674.50
FLDG Invoked Payable	237.36	-
Service obligation against EIS	526.00	-
Lease liabilities (Refer Note No. 38)	148.49	136.62
Security deposit from partners	149.24	99.78
Insurance premium payable	4.80	-
Payable to employees	79.55	-
Bonus payable	300.00	640.56
Dividend payable	-	0.56
Total	2,782.89	1,552.02

18 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
For employee benefits		
Gratuity (Refer note- 35)	51.81	30.56
Employees' Stock Option Plan (ESOP & Cash settled) (Refer Note No. 47)	1,095.43	874.03
Others		
Provision on Financial Gurantee Liability	781.25	64.20
Total	1,928.49	968.80

19 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	257.16	134.18
Others	-	2.66
Total	257.16	136.84

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
20 AUTHORISED SHARE CAPITAL		
15,75,00,000 Equity Shares of ₹10/- each (PY - 15,75,00,000)	15,750.00	15,750.00
11,50,00,000 Series A Compulsorily Convertible Preference Shares of ₹ 10/- each (PY -11,50,00,000)	11,500.00	11,500.00
1,90,00,000 Series A1 Compulsorily Convertible Preference Shares of ₹ 10/- each (PY 1,90,00,000)	1,900.00	1,900.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of ₹ 10/- each (PY 3,20,00,000)	3,200.00	3,200.00
5,72,00,000 Series B Compulsorily Convertible Preference Shares of ₹ 10/- each (PY 5,72,00,000)	5,720.00	5,720.00
1,50,00,000Series B1 Compulsory Convertible Preference Share of Rs 10 /-each (PY -NIL)	1,500.00	-
2,50,00,000 Series B2 Compulsory Convertible Preference Share of Rs 10 /-each (PY - NIL)	2,500.00	-
6,50,00,000Series B3 Compulsory Convertible Preference Share of Rs 10 /-each (PY - NIL)	6,500.00	-
Total authorised capital	48,570.00	38,070.00
EQUITY SHARE CAPITAL		
Issued, subscribed and fully paid up 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	15,090.72
Total	15,090.72	15,090.72
Instruments entirely Equity in nature		
11,24,00,000 Series A Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 11,24,00,000)	11,240.00	11,240.00
1,86,00,000 Series A1 Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 1,86,00,000)	1,860.00	1,860.00
3,20,00,000 Bridge Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 3,20,00,000)	3,200.00	3,200.00
5,71,22,955 Series B Compulsorily Convertible Preference Shares of ₹ 10/- each fully paid up (PY 5,71,22,955)	5,712.30	5,712.30
2,50,00,000 Compulsorily Convertible Debentures of ₹ 10/- each fully paid up (PY 2,50,00,000)	2,500.00	2,500.00
1,42,80,739 Series B1 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - NIL)	1,428.07	-
2,01,86,059 Series B2 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - NIL)	2,018.61	-
6,49,40,002 Series B3 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - NIL)	6,494.00	-
Total	34,452.98	24,512.30

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,08,32,193	15,083.22
Issued during the year	-	-	75,000	7.50
As at the end of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10 per share. Each equity shareholder is eligible for one vote per share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to deduction of tax at source. In the event of liquidation of the Company, the holders of equity share 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 the shareholders.

c. Reconciliation of Instruments entire equity in nature

Instruments entirely Equity in nature Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Outstanding at the beginning of the year	24,51,22,955	24,512.30	23,08,42,216	23,084.22
Issued during the year (Series B)	-	-	1,42,80,739	1,428.07
Issued during the year (Series B1)	1,42,80,739	1,428.07	-	-
Issued during the year (Series B2)	2,01,86,059	2,018.61	-	-
Issued during the year (Series B3)	6,49,40,002	6,494.00	-	-
Outstanding at the end of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30

d. Equivalent number of Equity shares

Particulars	As at March 31, 2025	As at March 31, 2024
Series A Compulsorily Convertible Debentures	1,25,77,534	1,25,77,534
Series A Compulsorily Convertible Preference Shares	5,68,41,950	5,68,41,950
Series A1 Compulsorily Convertible Preference Shares	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	5,71,22,955
Series B1 Compulsorily Convertible Preference Shares	1,29,29,675	-
Series B2 Compulsorily Convertible Preference Shares	2,01,56,059	-
Series B3 Compulsorily Convertible Preference Shares	6,49,40,002	-
Outstanding at the end of the year	24,59,40,196	14,79,14,460

e. Aggregate number of shares issued for consideration other than cash during the last five years

The Company has not issued shares for consideration other than cash during the last five years.

f. Details of shareholders holding more than 5% equity shares in the Company

Equity shares of ₹ 10 each

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Mr. Ratan N. Tata	1,68,70,859	11.18%	1,68,70,859	11.18%	-
2	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	13,12,86,747	87.00%	13,12,86,747	87.00%	-

Compulsorily Convertible Preference shares of ₹ 10 each Series A

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Oikocredit Ecumenical Development Co-operative Society U.A.	4,30,00,000	38.26%	4,30,00,000	38.26%	-
2	Wao Partners LLP	1,50,00,000	13.34%	1,50,00,000	13.34%	-
3	Bill & Melinda Gates Foundation	5,44,00,000	48.40%	5,44,00,000	48.40%	-

Compulsorily Convertible Preference shares of ₹ 10 each Series A1

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Bill & Melinda Gates Foundation	1,86,00,000	100.00%	1,86,00,000	100.00%	-

Compulsorily Convertible Preference shares of ₹ 10 each Series Bridge

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	1,60,00,000	50.00%	1,60,00,000	50.00%	-
2	Oikocredit Ecumenical Development Co-operative Society U.A.	1,60,00,000	50.00%	1,60,00,000	50.00%	-

Compulsorily Convertible Preference shares of ₹ 10 each Series B

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Oikocredit Ecumenical Development Co-operative Society U.A.	28,56,148	5.00%	28,56,148	5.00%	-
2	IDH Farmfit Fund B.V.	1,14,24,591	20.00%	1,14,24,591	20.00%	-
3	Rabo Partnerships B.V.	4,28,42,216	75.00%	4,28,42,216	75.00%	-

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Compulsorily Convertible Preference shares of ₹ 10 each Series B1

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	MI India Capital And Investment Private Limited	1,39,32,428	97.56%	-	-	100.00%
2	Mr. Naveen Kukreja	3,48,311	2.44%	-	-	100.00%

Compulsorily Convertible Preference shares of ₹ 10 each Series B2

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	65,43,677	32.42%	-	-	100.00%
2	Rabo Partnerships B.V.	21,59,413	10.70%	-	-	100.00%
3	Mr. Kewal Krishan Nohria	15,76,789	7.81%	-	-	100.00%
4	Mr. Ajay Kumar Aggarwal	31,53,580	15.62%	-	-	100.00%
5	Mr. Rajat Goenka	15,76,789	7.81%	-	-	100.00%
6	SAK Industries Private Limited	15,76,789	7.81%	-	-	100.00%
7	IDH Farmfit Fund B.V.	35,99,022	17.83%	-	-	100.00%

Compulsorily Convertible Preference shares of ₹ 10 each Series B2

S. No.	Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	5,00,00,000	76.99%	-	-	100.00%
2	Rabo Partnerships B.V.	56,02,501	8.63%	-	-	100.00%
3	IDH Farmfit Fund B.V.	93,37,501	14.38%	-	-	100.00%

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 (After Conversion) 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, B1,B2, B3 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,B1,B2,B3 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.

g. Details of shareholding of Promoters

S. No.	Promoter name	As at March 31, 2025		As at March 31, 2024		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Mr. Ratan N. Tata	1,68,70,859	11.18%	1,68,70,859	11.18%	-
2	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	13,12,86,747	87.00%	13,12,86,747	87.00%	-



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

21 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve (Pursuant to Section 45-IC of the RBI Act, 1934)		
Opening balance	-	-
Add: Transfer from retained earnings	-	-
Closing balance	-	-
Securities premium account		
Opening balance	10,687.71	8,015.78
Add : Securities premium credited on share issue		-
- Series B1 CCPS	-	2,671.93
- Series B CCPS	2,671.93	-
- Series B2 CCPS	4,382.39	-
Less: Issue Expenses	(52.52)	-
Closing balance	17,689.51	10,687.71
ESOP Reserve		
Opening balance	239.08	71.89
Add: Employee stock option compensation for the year	183.94	167.19
Less: Balance transferred to retained earnings	-	-
Less: Premium on exercise of stock options	-	-
Closing balance	423.02	239.08
Other comprehensive income (Remeasurement of defined benefit Liability)		
Opening balance	(14.72)	(13.46)
Add: Transfer from Consolidated Statement of Profit and Loss on account of :		
-Actuarial loss on retirement benefits	(15.59)	(1.26)
Closing balance	(30.31)	(14.72)
Retained earnings		
Opening balance	(24,483.79)	(23,165.47)
Add : Net profit/(net loss) for the current year	(12,122.08)	(1,318.10)
Add : Net profit/(net loss) inter company profits		-
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-	-
Dividened for Preference shares	-	(0.22)
Total appropriations	-	(0.22)
Retained earnings	(36,605.87)	(24,483.79)
Total Other equity	(18,523.65)	(13,571.72)

Nature and purpose of reserves:

Securities premium account: The amount received in excess of face value of the equity shares and other securities is recognised in Securities Premium Reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares and for incurring share issue expenses in accordance with the provisions of the Companies Act, 2013.

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

Contribution to employee stock option scheme: The reserve is used to recognise the fair value of the options issued to employees of the Company.

Other comprehensive income: Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

22 Interest income (on financial asset measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on loans	25,768.43	21,704.12
Interest income on deposits	443.42	186.37
Other interest income	6.90	3.98
Total	26,218.74	21,894.48

23 Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Service fees income	5,412.54	1,162.41
Total	5,412.54	1,162.41

24 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Net gain on financial instruments at fair value through profit or loss		
- Investments		
Gain on sale of mutual funds	501.82	274.06
Gain on fair valuation of investment in mutual funds	-	-
Total	501.82	274.06
Fair value changes:		
- Realised	501.82	274.06
- Unrealised	-	-
Total	501.82	274.06

25 Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on de-recognition of loan assets	317.64	818.15
Total	317.64	818.15

26 Other operating income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Management consultancy fees	517.80	110.13
Recoveries:		
FLDG recovery-co-lending	220.41	-
Recovery from guarantors	762.04	-
Recoveries against FLDG Invoked	3,974.18	-
Write off recovery	1,120.98	922.52
Insurance receipts on loan which were written off	89.08	-
Total	6,684.49	1,032.65

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

27 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on lease termination	0.04	-
Provision/credit balances no Longer required written back	309.51	-
Other miscellaneous income	12.96	27.96
Total	322.51	27.96

28 Finance costs (On financial liabilities measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on debt securities		
- Debentures	4,145.81	2,844.23
Interest on borrowings (other than debt securities)	6,619.53	5,364.40
Interest on lease liability	14.35	10.43
Other charges	2.36	-
Total	10,782.05	8,219.06

29 Fee and commission expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Commission expenses	11,778.19	7,461.13
Total	11,778.19	7,461.13

30 Impairment of financial assets (on financial assets measured at amortised cost)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Portfolio loans written off	12,581.31	5,065.96
Impairment allowance on portfolio loans	1,527.26	(1,889.06)
Impairment loss allowance on trade and other receivable	-	2.60
Loss allowance for financial guarantee	3,580.26	567.77
Total	17,688.83	3,747.27

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

31 Employee benefits expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, other allowance and bonus	3,498.88	3,242.36
Contribution to provident and other funds*	92.04	65.65
Share based payment to employees (Refer Note No. 47)	471.79	167.19
Gratuity expenses *	36.24	34.74
Recruitment expenses	27.25	1.89
Staff welfare expenses	126.62	138.70
Total	4,252.83	3,650.53

* (For detailed information Refer Note - 35)

32 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On Property, plant and equipment	51.69	78.65
On Intangible assets	412.32	403.47
On Right of use assets	63.34	44.43
Total	527.35	526.56

33 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal, consultancy and professional expenses	2,399.37	773.03
Hosting and Licensing fees	2,910.17	1,471.40
Payments to auditors	46.38	50.05
Stamp duty and filing fees	7.46	10.15
Business promotion expenses	246.15	75.27
Sitting fees	35.15	37.61
Travelling, conveyance and food expenses	184.75	147.12
Lodging and boarding expenses	78.44	40.10
Guarantee fees	131.63	56.46
Membership and subscription fees	97.84	79.86
Bank Charges	48.21	42.07
Office expenses	140.53	62.42
Rent on office premises (Refer Note No. 38)	31.88	18.48
Balances written off	130.54	-
Miscellaneous expenses	62.05	59.24
Total	6,550.56	2,923.26

*Auditor's fees and expenses comprises of:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As Auditor:		
- Audit fees (including fees for limited review)	32.05	33.43
- Tax audit fees	4.91	5.45
- Limited review	7.63	-
- Out of pocket expenses	0.70	3.05
In any other manner:		
- Certification	1.09	8.12

Note: Amount disclosed above are inclusive of GST expensed out.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

34 Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net profit for the year for basic EPS	(12,122.08)	(1,318.10)
Dilutive impact of compulsorily convertible debentures	-	-
Net profit for the year for diluted EPS	(12,122.08)	(1,318.10)
Nominal value of equity share (in ₹)	10.00	10.00
Weighted-average number of equity shares for basis earnings per share	1,509.07	1,508
Effect of dilution:		
Compulsory convertible preference shares	NA	NA
Compulsory convertible debentures	NA	NA
Weighted-average number of equity shares used to compute diluted earnings per share	1,509.07	1,508.43
Basic earnings per equity share (in ₹)	(8.03)	(0.87)
Diluted earnings per equity share (in ₹) *	(8.03)	(0.87)

* Since the company has loss for the year, there is no dilution of EPS

35 Retirement benefit plan

Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 91.43 Lakhs for the year ended March 31, 2025 (March 31, 2024: ₹ 65.65 Lakhs) for Provident Fund contributions and ₹ 0.55 Lakhs for the year ended March 31, 2025 (March 31, 2024: ₹0.00 Lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined benefit plan

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service.

Employee benefit obligations

Balance recognised in the Consolidated Balance Sheet is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	51.81	30.56

Expense recognised in Statement of Profit & Loss is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	36.24	34.74

Expense recognised through OCI is as under:

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity	15.59	(1.26)

Disclosure for gratuity

Particulars	For the year ended	For the year ended
Components of net gratuity cost charged to Statement of Comprehensive Income		
Current service cost	34.26	26.91
Interest expense	10.11	7.84
Transfer out	(8.13)	-
Actuarial loss/(gain) recognised during the year	15.59	1.26
Total(A+B)	51.83	36.00

Movement in the present value of defined benefit obligation recognised in the Consolidated Balance Sheet	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of defined benefit obligation at the beginning of the year	143.13	106.54
Current service cost	34.26	26.91
Interest cost	10.11	7.84
Past service cost	-	-
Benefits paid	-	-
Actuarial (gain)/ loss	17.26	1.84
Defined benefit obligation at the end of the year	204.76	143.13
Movement in the plan assets recognised in the balance sheet (under a scheme managed by PNB Metlife)		
Fair value of plan assets at the beginning of the year	112.56	-
Interest income	-	-
Employer direct benefits payments	30.58	111.98
Benefits Paid	-	-
Benefits Paid from the fund	-	-
Return on plan assets excluding interest income	9.80	0.58
Fair value of plan assets end of the year	152.95	112.56

* The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due.

Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	For the year ended	For the year ended
Present value of funded obligation as at the end of the year	204.76	143.13
Fair value of plan assets as at the end of the year	(152.95)	(112.56)
Funded net liability/(asset) recognized in balance sheet	51.81	30.56

Principal assumptions used in determining gratuity liability are shown below:	As at March 31, 2025	As at March 31, 2024
Rate of discounting	6.80%	7.22%
Expected rate of salary increase	10.00%	10.00%
Rate of employee turnover	5.00%	5.00%

Plan characteristics and associated risks

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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	As at March 31, 2025	As at March 31, 2024
Year 1	7.40	6.21
Year 2	8.73	6.33
Year 3	26.89	7.44
Year 4	9.76	24.03
Year 5	25.37	7.60
Between 6 to 10 years	72.94	71.14
Above 10 years	391.90	264.86
Total expected payments	542.99	387.62



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	22,524.21	-	22,524.21	20,645.65	-	20,645.65
Bank balance other than cash and cash equivalents	3,002.82	-	3,002.82	3,618.15	-	3,618.15
Trade Receivables	1,008.44	-	1,008.44	275.15	-	275.15
Other receivables	376.47	-	376.47	400.57	-	400.57
Loans	49,633.30	30,537.59	80,170.88	72,353.71	21,427.04	93,780.75
Other financial assets	2,730.18	36.24	2,766.42	906.51	-	906.51
Non-financial assets						
Property, plant and equipment	-	99.99	99.99	-	37.92	37.92
Goodwill	-	747.32	747.32	-	747.32	747.32
Right of use asset	-	144.54	144.54	-	139.54	139.54
Other intangible assets	-	4,440.03	4,440.03	-	1,496.79	1,496.79
Other non-financial assets	1,298.68	652.25	1,950.94	3,389.12	-	3,389.12
Total assets	80,574.12	36,657.95	1,17,232.06	1,01,588.86	23,848.61	1,25,437.47
Liabilities						
Financial liabilities						
Trade payables	1,464.53	-	1,464.53	1,507.49	-	1,507.49
Debt securities	18,957.59	12,303.51	31,261.11	15,338.76	18,853.73	34,192.49
Borrowings (other than debt securities)	33,486.42	15,031.42	48,517.84	36,181.09	24,867.44	61,048.53
Other financial liabilities	2,708.13	74.76	2,782.89	1,474.86	77.16	1,552.02
Non-financial liabilities						
Provisions	1,006.54	921.95	1,928.49	968.80	-	968.80
Other non-financial liabilities	257.16	-	257.16	136.84	-	136.84
Total liabilities	57,880.37	28,331.64	86,212.01	55,607.85	43,798.33	99,406.17

Notes:

All borrowings are disclosed based on the contractual maturities.

There are no breach of covenants existing as at the year end and there are no default in repayment of borrowings during the year.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

37 Contingent liabilities, commitments

(A) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
In respect of GST tax demands/ notices where the Company has filed an appeal with relevant authority	151.35	-
Total	151.35	-

Future cash outflows in respect of (a) above are determinable only on receipt of judgements/ decisions pending with various forums/ authorities. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

Particulars	As at March 31, 2025	As at March 31, 2024
Commitment towards development of Software Platform	3,200.00	4,778.50
Commitment towards Loans sanctioned before Consolidated Balance Sheet date but not disbursed	121.93	101.32

38 Lease disclosures

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.

Carrying value of lease liability at the end of the reporting period by class.

Particulars	As at March 31, 2025	As at March 31, 2024
Opening lease liabilities	136.62	69.30
Addition to lease liabilities during the year	70.96	156.81
Interest expense on lease liabilities	14.35	10.43
Termination of lease	(4.54)	(37.67)
Cash outflow for leases	(68.90)	(62.25)
Closing lease liabilities	148.49	136.62

Carrying value of right of use assets at the end of the reporting period by class - Office Premises

Particulars	As at March 31, 2025	As at March 31, 2024
Opening value of right of use assets	139.54	69.60
Addition to lease assets during the year	72.86	162.92
Deductions/Adjustments	(4.52)	(48.55)
Less: Depreciation charge for the year	(63.34)	(44.43)
Closing value of right of use assets	144.54	139.54

Amounts recognised in Statement of profit or loss

Particulars	As at March 31, 2025	As at March 31, 2024
Amortisation of right of use assets	63.34	44.43
Interest on lease liabilities	14.35	10.43
Total	77.69	54.86

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	73.73	59.46
After one year but not more than five years	74.76	77.16
More than five years	-	-
Total	148.49	136.62

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)



39 Related party disclosures

A. List of related parties and disclosures

1. Enterprises exercising control: NRJN Family Trust

2. Key managerial personnel :

Name of key managerial personnel	Designation
Mr. Ratan Tata	Non-executive Director (upto 9 October 2024)
Mr. Nandan Mohan Nilekani	Non-executive Director
Dr. Vijay Kelkar	Non-executive Director
Ms. Bindu Ananth	Non-executive Director
Mr. Subramaniam Somasundaram	Independent Director
Ms. Sukanya Kripalu	Independent Director
Mr. Jeroen Meerburg	Non-executive Director (w.e.f. 24 August 2024)
Mr. Anirudh Jagdish Sarda	Non-executive Director (upto 13 December 2024)
Mr. Rahul Gupta (Chief Executive Officer/Executive Director)	Key management personnel
Mr. Sushil Thaker (Chief Financial Officer)	Key management personnel (w.e.f. 09 December 2024)
Mrs. Urvashi Bahirsheth (Company Secretary and Chief compliance Officer)	Key management personnel

B. Details of transactions with related parties carried out in the ordinary course of business:

Name of related party	Nature of transaction	As at March 31, 2025	As at March 31, 2024
NRJN Family Trust	Issue of CCPS	7,075.00	-
Independent Directors	Director Sitting fees	26.33	31.05
Key managerial Personnel	Remuneration, reimbursements and Others	705.57	506.78

* This does not include ESOP expenses debited to the Statement of Profit and Loss and accrual towards defined benefit obligations

C. Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	As at March 31, 2025	As at March 31, 2024
NRJN Family Trust	Equity share capital	13,128.67	13,128.67
Dr. Vijay Kelkar	Equity share capital	87.46	87.46
Mr. Ratan Tata	Equity share capital	1,687.09	1,687.09
NRJN Family Trust	Compulsorily Convertible Preference shares	8,675.00	1,600.00
Key Managerial Personnel	Equity share capital	7.50	-

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

40 Fair value measurement

40.1 Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets measured at fair value through P&L		
Financial assets measured at fair value through OCI	-	-
Financial assets measured at amortised cost		
Cash and cash equivalents	22,524.21	20,645.65
Bank balance other than cash and cash equivalents	3,002.82	3,618.15
Trade Receivables	1,008.44	275.15
Other receivables	376.47	400.57
Loans	80,170.88	93,780.75
Other financial assets	2,766.42	906.51
Total	1,09,849.26	1,19,626.78

Particulars	As at March 31, 2025	As at March 31, 2024
Financial liabilities measured at amortised cost		
Trade payables	1,464.53	1,507.49
Debt securities	31,261.11	34,192.49
Borrowings (other than debt securities)	48,517.84	61,048.53
Other financial liabilities	2,782.89	1,552.02
Total	84,026.37	99,852.56

40.2 Fair value hierarchy of assets and liabilities

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

40 Fair value measurement (cont'd)

40.3 Financial assets and liabilities measured at fair value as at the balance sheet date

As at March 31, 2025	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Mutual Funds	-	-	-	-
As at March 31, 2024	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Investments in Mutual Funds	-	-	-	-

Valuation technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Consolidated Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

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.

40.4 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments measured at amortised cost.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and cash equivalents	22,524.21	22,524.21	20,645.65	20,645.65
Bank balance other than cash and cash equivalents	3,002.82	3,002.82	3,618.15	3,618.15
Trade Receivables	1,008.44	1,008.44	275.15	275.15
Other receivables	376.47	376.47	400.57	400.57
Loans (measured at amortised cost)	80,170.88	80,170.88	93,780.75	93,780.75
Other financial assets	2,766.42	2,766.42	906.51	906.51
Total financial assets	1,09,849.26	1,09,849.26	1,19,626.78	1,19,626.78
Financial liabilities:				
Trade payables	1,464.53	1,464.53	1,507.49	1,507.49
Debt securities	31,261.11	31,261.11	34,192.49	34,192.49
Borrowings (other than debt securities)	48,517.84	48,517.84	61,048.53	61,048.53
Other financial liabilities	2,782.89	2,782.89	1,552.02	1,552.02
Total financial liabilities	86,809.26	86,809.26	98,300.53	98,300.53

Valuation technique used for financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments:

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and liabilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables, other payables and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

41 Risk management framework

The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Group (BOD) along with the management are primarily responsible for Financial Risk Management of the Group. 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 inherent risks related to the Group's activities by the following risk categories:

I. Credit Risk

Credit risk is the risk of financial loss to the Group 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 Group. 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 Group 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 Group's Credit Committee under the Group 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.

Credit underwriting

The Group'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 Group 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 Group in accordance with the contract and the cash flows which the Group 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 Group 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 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 Group 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) for all stages except stage I where the credit losses expected to arise over the 12 months of the asset, unless there has been no significant increase in credit risk since its initial recognition.

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Definition of Default

As per the Group policy, all loans are classified into stage 1, stage 2 and stage 3. Loans up to 29 DPD (days past due) are classified as stage 1 assets. Loans with DPD of 30 days up to 89 days are classified as stage 2 assets and Loans with DPD greater than or equal to 90 days are classified as stage 3 assets. The Group 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 Group also considers a variety of instances that may indicate unlikelihood to pay. In such instances, the Group 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 Group suspects fraud and legal proceedings are initiated.

The Group continues to recognize interest income during the moratorium period. As per assessment done by the Group 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 Group 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 Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 29 days past due. The Group 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)

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of loan outstanding in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of loan outstanding in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% in line with accounting standard

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 Group collects a list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Group 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.

Credit Quality

The Group 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 for Stage 2 and stage 3 Loans and 12 months' PD for Stage 1. 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 Group analysis exposure to credit risk on the basis of vintage experience across its products. The Group categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

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

The Group 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 Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Group 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 Group has possession of rental premises.

Write off policy

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

Stress testing of portfolio

The Group 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 Group to ensure regulatory compliance.

Exposure to credit risk

The Group 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 Group to ensure regulatory compliance.

Particulars	As at March 31, 2025	As at March 31, 2024
Maximum exposure to credit risk	85,508.53	97,590.58

II. Liquidity Risk

Liquidity risk is the risk that the Group, 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 Group 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 Group's liquidity risk exposure.

The Group maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Group. In terms of actions, the Group's liquidity risk management policy is guided by the following principles:

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

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

Tools to manage Liquidity Risk

The Group 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 Group 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 Group 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 Group'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 understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (payable along with interest outgo*).

Maturity pattern of liabilities as on March 31, 2025:

Particulars	Less than 3 months	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities						
Trade payables	1,464.53	-	-	-	-	1,464.53
Other payables	-	-	-	-	-	-
Borrowings & debt Securities	13,378.02	39,066.14	27,334.79	-	-	79,778.95
Other financial liabilities	2,634.39	-	-	-	-	2,634.39
Lease liabilities	17.23	56.50	74.76	-	-	148.49
Total undiscounted financial liabilities	17,494.18	39,122.64	27,409.55	-	-	84,026.37

Maturity pattern of liabilities as on March 31, 2024:

Particulars	Less than 3 months	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities						
Trade payables	1,507.49	-	-	-	-	1,507.49
Other payables	-	-	-	-	-	-
Borrowings & debt Securities	10,850.43	40,669.42	43,721.16	-	-	95,241.02
Other financial liabilities	1,415.40	-	-	-	-	1,415.40
Lease liabilities	14.86	44.59	77.16	-	-	136.62
Total undiscounted financial liabilities	13,788.19	40,714.01	43,798.33	-	-	98,300.53

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 Group is exposed to market risk primarily related to interest rate risk and price risk.

iv. Foreign Currency Risk

The Group 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 Group's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Group'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-Consolidated 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 Group and the governance and monitoring policies for interest rate risk management.



Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

Sensitivity analysis

Effect on profit or loss (₹ lakhs)	For the year ended March 31, 2025	For the year ended March 31, 2024
Impact on profit before tax of 100 bps increase in interest rate	(797.79)	(610.49)
Impact on profit before tax of 100 bps Decrease in interest rate	797.79	610.49

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 Group'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 Group 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.

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	72.18	89.26
The amount of interest paid by the buyer in terms of section 16 of the MSMED 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 the MSMED Act, 2006.	-	-
The amount of interest accrued and remains unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in 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 MSMED Act, 2006.	-	-



45 Details of assignment transactions undertaken by the Group

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of agreed % of the assets transferred to the buyer, the assets have been de-recognised to that extent from the Group's Consolidated Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on de-recognition during the year.

Details of transfer through Direct assignment during the year and quarter ended March 31, 2025:

S. No.	Particulars	For the year ended March 31, 2025	For the quarter ended March 31, 2025
1	Number of Loans	46,034	45,288
2	Aggregate amount	9,517	9,397
3	Sale consideration	8,577	8,457
4	Number of Transactions	2	1
5	Weighted average remaining Maturity(In months)	13	13
6	Weighted average holding period after Origination(In months)	24	24
7	Retention of beneficial economic interest	13.50%	13.50%
8	Coverage of tangible Security Coverage	-	-
9	Rating wise distribution of rated loans	NA	NA
10			
	Number of instances (transactions) where transferred as agreed to replace the transferred loans	NA	NA
11	Number of transferred loans replaced	NA	NA

Details of transfer through Co-lending akin to Direct Assignment during the year and quarter ended March 31, 2025:

The Group has transferred loans through Co-lending arrangements under CLM 2 model to the respective participating bank which are akin to Direct Assignment transaction under circular no.RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-lending by banks and NBFCs to priority sector.

S. No.	Particulars	For the year ended March 31, 2025	For the quarter ended March 31, 2025
1	Number of Loans	15,853	247
2	Aggregate amount	6,859.82	97.95
3	Sale consideration	5,487.86	78.36
4	Number of Transactions	15,853	247
5	Weighted average remaining Maturity(In months)	24	24
6	Weighted average holding period after Origination(In months)	24	24
7	Retention of beneficial economic interest	13%	13%
8	Coverage of tangible Security Coverage	NA	NA
9	Rating wise distribution of rated loans	NA	NA
10	Number of instances (transactions) where transferred as agreed to replace the transferred loans	NA	NA
11	Number of transferred loans replaced	NA	NA

Notes:

- i) The Group has not transferred any non-performing assets (NPAs)
- ii) The Group has not acquired any stressed loan.

45.1 Details of non-performing financial assets purchased/sold

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) No. of accounts sold	204.00	-
ii) Total amount outstanding	30.05	-

45.2 Details of financial assets sold to securitisation/reconstruction Group for asset reconstruction

The Group has not sold any financial assets to Securitisation/Reconstruction Group for asset reconstruction during the year ended March 31, 2025 and March 31, 2024.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

46 Disclosure of additional information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities			
	As at March 31, 2025		As at March 31, 2024	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
Parent Company:				
Avanti Finance Private Limited	107.52%	33,353.44	109.25%	28,440.28
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	2.83%	877.29	3.08%	801.09
Less : Adjustments of elimination for consolidation	-10.35%	(3,210.68)	-12.33%	(3,210.08)
Group Consolidated value	100.00%	31,020.05	100.00%	26,031.29

Name of the entity in the Group	Share in profit or loss (Other than OCI)			
	As at March 31, 2025		As at March 31, 2024	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent Company:				
Avanti Finance Private Limited	100.62%	(12,197.68)	104.97%	(1,383.67)
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	-0.63%	76.19	-5.41%	71.34
Less : Adjustments for elimination of consolidation	0.00%	(0.59)	0.44%	(5.77)
Group Consolidated value	100.00%	(12,122.08)	100.00%	(1,318.10)

Name of the entity in the Group	Share in other Comprehensive income			
	As at March 31, 2025		As at March 31, 2024	
	As % of consolidated other comprehensive Income	Amount	As % of consolidated other comprehensive Income	Amount
Parent Company:				
Avanti Finance Private Limited	100.00%	(15.59)	100.00%	(1.26)
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	0.00%	-	0.00%	-
Less : Adjustments for elimination of consolidation	0.00%	-	0.00%	-
Group Consolidated value	100.00%	(15.59)	100.00%	(1.26)

Name of the entity in the Group	Share in Total Comprehensive income			
	As at March 31, 2025		As at March 31, 2024	
	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company:				
Avanti Finance Private Limited	100.62%	(12,213.26)	104.97%	(1,384.91)
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	-0.63%	76.19	-5.41%	71.34
Less : Adjustments for elimination of consolidation	0.00%	(0.60)	0.44%	(5.78)
Group Consolidated value	100.00%	(12,137.67)	100.00%	(1,319.36)

Avanti Finance Private Limited

CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

47 ESOP Disclosures

ESOPs movement (equity plan)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Option outstanding at the beginning of the year	3,86,96,658	3,70,83,178
Granted during the year	14,17,294	29,89,558
Exercised during the year	-	75,000
Forfeited during the year	3,22,850	13,01,078
Option outstanding at the end of the year	3,97,91,102	3,86,96,658

Employee Share-Based Payment Plans

Type of arrangement	Senior management stock option plan	General employee stock option plan	Senior management stock appreciation plan (Cash settled)
Date of grant	Various Dates	Various Dates	15-01-2021
Number granted	3,41,90,995	1,12,53,814	2,26,10,000
Contractual life	Various life	Various life	Various life
Vesting conditions	it may vary from an Employee to Employee or class of Employees for business/ divisions to business/ divisions	it may vary from an Employee to Employee or class of Employees for business/ divisions to business/ divisions	it may vary from an Employee to Employee or class of Employees for business/ divisions to business/ divisions

48 Penalties and Strictures

No penalties have been levied by any other regulator on the Group during the year ended March 31, 2025.

- 49 With reference to RBI Master Direction (Non-Banking Financial Group – Scale Based Regulation) Directions, 2023, dated 19th October, 2023, no loans and advances were given to Directors and their relatives, Entities associated with directors and their relatives, Senior officers and their relatives during the year ended March 31, 2025.

Avanti Finance Private Limited
CIN: U65929KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

50 Additional Disclosures as per Schedule III of the Companies Act, 2013

- a) The Group recorded all transactions and there is no additional surrendered or disclosed income during the year in the tax assessments under the Income Tax Act, 1961. There is no such income which was previously unrecorded, but subsequently recorded in the books of accounts during the year.
- b) There are no transactions with struck off companies during the year ended March 31, 2025 and March 31, 2024.
- c) The Group has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2025 and March 31, 2024.
- d) The Group does not have any Benami property. No proceedings have been initiated or are pending against the Group for holding any Benami property.
- e) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.
- f) There are no charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- g) Utilisation of Borrowed funds and share premium:
(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
(B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- h) The Group has not deviated in any compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting standards.

51 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

For and on behalf of the Board of Directors of
Avanti Finance Private Limited

As per our report of even date
For VARMA & VARMA
Chartered Accountants
Firm Registration No.: 004532S

Vijay Laxman Kelkar
Director
DIN: 00011991

Rahul Gupta
Director
DIN: 09247626

Bengaluru
27-05-2025

Bengaluru
27-05-2025

K.P. SRINIVAS
Partner
Membership No.208520

Bengaluru
27-05-2025

Sushil Thaker
Chief Financial officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
27-05-2025

Mumbai
27-05-2025



Thank You

Avanti extends heartfelt gratitude to every borrower, partner, team member, and supporter who continues to believe in its mission. The trust placed in Avanti fuels its commitment to building a more inclusive and equitable financial ecosystem. Together, Avanti and its stakeholders are not just enabling credit—they are enabling confidence, livelihoods, and lasting change. This annual report has been thoughtfully created by the Avanti team, led by Rutuja Jadhav, and is presented in a digital format as part of our commitment to sustainability. By choosing not to print this report, we aim to conserve resources and reduce our environmental footprint. Thank you for engaging with our digital publication and joining us in supporting a greener future.



2727, 2nd Floor, 1st Main Road, &, 80 Feet Rd, HAL 3rd Stage, New Tippasandra, Bengaluru, Karnataka 560075



communications@avantifinance.in



1800 309 5021



www.avantifinance.in