



ANNUAL REPORT • FY 2025-26

#Resilience



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From CEO's Desk

Dear Stakeholders,

FY2025–26 was a year of transition and continued challenges for the microfinance industry. The year began against the backdrop of elevated credit costs, pressure on asset quality, cautious lender sentiment and tight liquidity conditions across the sector, especially for small & mid-sized entities. For us, the year was therefore not simply about navigating a difficult cycle; it was about strengthening the foundations of the institution for the next phase of sustainable growth.

As a relatively new and modest sized NBFC, we recognised early that the operating environment required a reset in approach; one that prioritised portfolio quality and liquidity over near-term growth, while remaining committed to our vision of creating a next gen financial inclusion platform.



Rahul Gupta

DIRECTOR & CEO

Strengthening risk management and collections

During the year, we intensified our focus on risk management and collections. We strengthened portfolio monitoring, enhanced early-warning mechanisms and increased management attention on any emerging stress situations with quick remedial actions.

Our collection efforts were strengthened with greater emphasis on customer engagement, field-level accountability and differentiated strategies based on diverse cohorts. These measures required us to take difficult decisions in the short term, including moderating disbursements in selected markets and being more selective in customer acquisition.

Liquidity remained a key priority

Liquidity was one of the most significant challenges during the year. The tightening of funding availability for parts of the microfinance sector required us to place a much greater emphasis on liquidity planning, funding diversification and balance-sheet resilience.

We responded by maintaining close oversight of liquidity and cash flows, aligning business growth with funding availability, and engaging proactively with our lending and investment partners. We also focused on strengthening relationships with existing financiers while pursuing additional sources of funding. The support and confidence extended by our lenders, investors and other financial partners during this period were important to us. Their continued engagement reflected not only confidence in our institution, but also the importance of responsible microfinance in expanding access to formal financial services.

Signs of improvement and a more constructive outlook

As FY2025–26 progressed, we began to see improvement across several operating parameters. Industry-level conditions gradually became more constructive, and the focus increasingly shifted from managing immediate stress to rebuilding portfolio quality and establishing a more sustainable growth trajectory. For us, the improvement reinforced a key principle: sustainable growth in microfinance must be built on sound credit fundamentals, strong collections, adequate liquidity and a disciplined cost structure.

From CEO's Desk

We also continue to refine our operating model and optimize the deployment of resources in line with business size and requirements. This has helped strengthen productivity and operating leverage while preserving the capabilities that remain central to our long-term growth.

We remain mindful that the recovery is not uniform across markets and customer segments. Accordingly, we continue to approach growth selectively, with risk-adjusted returns and portfolio quality remaining central to our decision-making.

Capital support and confidence of our investors

The resilience of an institution is tested most meaningfully during challenging periods. During FY2025–26, we were fortunate to receive continued support from our investors, including equity infusion of INR 127 Cr. This support strengthened our capital position with a healthy CAR of 32.6%. More importantly, it represented a strong vote of confidence in our business model, our management team and our long-term potential.

We remain deeply grateful to our founders & investors for standing with the organisation through the cycle. Their support has enabled us to remain focused on strengthening the institution

Looking ahead

As we enter the new financial year, our priorities are clear. We will remain focused on **asset quality, collections, liquidity, capital discipline and sustainable growth**. We will continue to invest selectively in technology and risk capabilities, improve employee productivity and maintain a disciplined approach to operating expenses.

At the same time, we recognise the larger responsibility that comes with being an organisation that serves the microfinance segment. Our customers depend on us not merely for credit, but for reliable access to formal financial services that can support livelihoods, household needs and economic participation. Responsible lending and customer protection will therefore remain integral to our approach.

The events of FY2025–26 have reinforced our belief that a strong financial institution is built not only during periods of growth, but also through the way it responds to adversity.

We emerge from this year as a more disciplined, more focused and more resilient organisation. The journey ahead will require continued vigilance and execution, but we are encouraged by the progress made during the year and by the confidence demonstrated by our stakeholders. I would like to thank our customers for their continued trust, our employees for their commitment and perseverance, our lenders and business partners for their support, and our investors and Board for their continued confidence in the institution. Together, we remain committed to building a stronger, more sustainable organisation that creates enduring value for all our stakeholders.

Warm regards,

Rahul Gupta

SINCE INCEPTION

Loans till date	1.3 Mn
Cumulative disbursed	₹5.5K Cr
Co-lending disbursed	₹1.2K Cr
States & districts	26 / 300+

Company Overview

Avanti Finance Private Limited ("Avanti") is a technology-led non-banking financial company (NBFC) focused on expanding access to affordable and timely credit for underserved households and micro-entrepreneurs across India. Founded in 2016, Avanti was established to harness technology, local networks and community knowledge to build a more inclusive financial services ecosystem. The Company received its NBFC licence in 2017.

Avanti operates through a digital-first, partner-led model, combining its proprietary technology platform with the reach and local knowledge of Loan Service Providers (LSPs), business correspondents and social-sector organisations. Its platform enables a largely paperless, presenceless and cashless customer journey, while partners contribute deep understanding of local communities, livelihoods and borrower behaviour. This model allows Avanti to serve customers in rural and semi-urban markets without relying on a conventional branch-heavy infrastructure. The Company's lending approach is centred on livelihood-oriented and cash-flow-based credit, with products designed around the economic activities and needs of its customers. Avanti focuses particularly on underserved and new-to-credit segments, with approximately 60% of its customers being new-to-credit or underserved and around 90% being women borrowers. Its platform is designed to enable hyperlocal product development and connect diverse pools of institutional capital with underserved end customers.

Avanti's institutional standing is also reflected in its credit profile. CRISIL reaffirmed Avanti's long-term rating at 'CRISIL BBB/Stable' in December 2025, while recognising its adequate capitalisation, strong promoter and institutional support, and established management and governance framework. The Company has also continued to strengthen its capital and risk-management position as it navigates the evolving microfinance environment.

With its combination of technology, local partnerships, diversified institutional capital and a livelihood-focused approach to lending, Avanti continues to build a scalable platform for financial inclusion. Its long-term ambition is to make affordable financial services accessible to 100 million underserved households in India, while building a sustainable business that balances financial performance with measurable social impact.

INCLUSIVE DESIGN

Products built around real cash flows and the livelihoods of women, smallholder farmers and first-time borrowers.

PARTNER DRIVEN

LSPs, business correspondents and social-sector organisations extend our reach into rural and semi-urban markets.

DIGITAL FIRST

A largely paperless, presenceless and cashless customer journey, powered by our proprietary technology platform.

SCALABLE IMPACT

An asset-light, capital-efficient model built to connect institutional capital with underserved households at scale.

OUR FOUNDERS



Late Ratan N Tata

FOUNDER



Dr. Vijay L. Kelkar

FOUNDER



Nandan Nilekani

FOUNDER

Board of Directors



Nandan Nilekani



Dr. Vijay Kelkar



Sukanya Kripalu



Subramaniam S.

FOUNDER DIRECTORS

INDEPENDENT DIRECTORS



Bindu Ananth



Roopa Satish



Jeroen Meerburg



Rahul Gupta

NOMINEE DIRECTORS

DIRECTOR & CEO

Our Partners

Avanti's model rests on the institutions that lend alongside us, insure our borrowers and build with us — combining institutional capital with hyperlocal reach.

INVESTORS

Gates Foundation	Waa0 Partners LLP	IDH Farmfit Fund B.V.	MI India Capital and Investment
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
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INSURANCE PARTNERS

Bajaj Life Insurance	Credit Access Life Insurance	Care Health Insurance	Coverfox Brokers
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TECHNOLOGY PARTNER

Indihood

FY 2025–26 in a Nutshell

FY 2025–26 was the year the microfinance sector chose discipline over scale. After two years of overleveraging-driven stress, lenders tightened underwriting, capped borrower-level indebtedness and shifted to monthly repayment cycles — a sharp portfolio contraction through the first three quarters, followed by a clear Q4 stabilisation and the first sequential expansion in AUM and disbursements in several quarters.

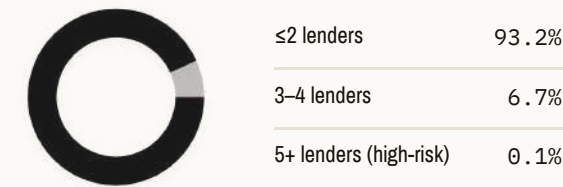
₹3,34,189 Cr –11% YoY INDUSTRY GLP, MAR 2026	₹79,256 Cr +27% QoQ Q4 FY26 DISBURSEMENTS	>98% recovered COLLECTION EFFICIENCY, FY26	45 / 74 MFIs WITH CRAR ABOVE 30% FY26
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INDUSTRY GROSS LOAN PORTFOLIO (₹ CR)



Two-year peak-to-trough decline of ~23%, before +4% QoQ recovery in Q4 FY26.

LENDER CONCENTRATION PER BORROWER



SRO indebtedness caps have de-risked the borrower base (vs 90.5% Mar '25).

POLICY & INDUSTRY DEVELOPMENTS

SRO GUARDRAILS Borrower-indebtedness caps and limits on active lenders per borrower began showing results in credit discipline.	RBI ACTION Risk-weight relief on MFI loans and successive rate cuts eased funding conditions across the sector.	UNION BUDGET Enhanced credit-guarantee mechanisms and deeper SHG-bank linkage widened the safety net for rural credit.
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By year-end, stress recognition was largely behind the sector and a disciplined recovery was firmly underway.

The Company Lens

PORTFOLIO QUALITY, FY26 (YOY)

₹32,116 +13%

Avg. loan o/s per account —
seasoned, disciplined
borrowers

₹62,476 +18%

Q4 FY26 avg. ticket size,
offsetting tighter approvals

8.20% ↓

Q4 FY26 weighted operating
cost, down from 8.91% in Q3

24.10%

Q4 client interest rate; cost of
funds at 10.67%

Opportunities — building through the cycle

35%

OF DISBURSEMENTS CO-LENT

34%

OFF-BALANCE-SHEET AUM

2,80,000

NEW-TO-CREDIT HOUSEHOLDS

98.7%

COLLECTION EFFICIENCY

Even as AUM moderated with the broader contraction, co-lending with SBI and Credit Saison became a strategic milestone, bringing institutional capital to underserved households at scale — enabled by full automation across 18 external integrations at 97% uptime. 94% of borrowers belong to Economically Weaker Sections, and over 50% return for a second loan.

SBI & Credit Saison

STRATEGIC CO-LENDING PARTNERS

18 / 97%

EXTERNAL INTEGRATIONS, UPTIME

1,70,686

ACTIVE BORROWERS SERVED

Risk Controls — what we're watching

Geographic concentration: a stress event in a single state can move portfolio quality quickly, as seen in FY 2024–25.

Borrower over-indebtedness: SRO guardrails have added discipline, but enforcement still depends on bureau data quality and field rigour.

Rural income risk: the current geopolitical situation may pressure rural household incomes and portfolio performance.

Competitive yield pressure: fintechs and larger lenders pushing into rural credit over the medium term.

Tail risk: a weak monsoon or adverse regulatory shift could slow the pace of recovery.

Customer Stories



TAILORING LIVELIHOOD

Nisha Devi

A loan to expand her tailoring business bought a new sewing machine and more fabric. Within months, regular orders for school uniforms and festive wear had lifted her income for good.

Five borrowers, five states, one pattern: credit that arrived in days, and an enterprise that outlasted it.



Sunita Raju Chavan

SOLAPUR, MAHARASHTRA

₹50,000 bought sewing machines for her own tailoring unit. She now earns ₹15,000 a month — double her daily-wage income — and the machine carries her husband's garment work through peak season.



Meena Devi

MADHUPUR, WEST BENGAL

A first loan of ₹30,000 started a grocery shop near her home. Repaying on time took her to larger cycles; the shop is bigger, and her children's education is supported.



Ashwini Humne

HINGANA, MAHARASHTRA

₹40,000 in October 2025, ₹36,000 of it into a vegetable shop. She earns about ₹10,000 a month now — double what she made as a daily wage labourer.



Savita Jagan Devle

MAHARASHTRA

₹40,000 within two days of applying — her first formal credit. She and her husband stocked raw materials and opened a masala business, Avanti Masala, now earning ₹1,000 a day.

People & Culture

BUILDING A WORKPLACE WHERE PEOPLE LEARN, CONNECT AND THRIVE

At Avanti, our people agenda in FY 2025–26 focused on creating a workplace that supports well-being, continuous learning, inclusion and meaningful employee experiences. With a workforce of 155 professionals as of March 31, 2026, we strengthened employee engagement through a range of initiatives designed to connect people beyond their day-to-day roles.

Well-being remained a key focus, with employees offered access to expert-led sessions and webinars covering mental health, physical well-being, women's nutrition and financial wellness. We continued our partnership with Anyo to provide employees access to counselling and wellness support. Alongside this, POSH awareness and sensitisation programmes were conducted to reinforce a safe, respectful and inclusive workplace.

Learning and development continued to be a strong pillar of our people strategy. Employees were encouraged to build functional, leadership and future-ready capabilities through programmes and learning opportunities with reputed institutions, including RBI, IIMs, IITs and Rabobank. These initiatives helped strengthen expertise across areas such as finance, risk, data, technology, cybersecurity and leadership.

Beyond learning and wellness, culture was brought to life through employee engagement initiatives - from sports activities and cricket to singing competitions, birthday celebrations and opportunities for employees to come together and celebrate. These experiences helped foster connection, participation and a stronger sense of community across Avanti.

155

TOTAL PROFESSIONALS

Female workforce 20%

Average age 30 yrs

RBI · IIMs · IITs · ISB

L&D INSTITUTIONS ENGAGED

Anyo

WELLNESS & COUNSELLING
PARTNER

ESG, Impact & Inclusion

Avanti's inclusive credit model continues to prioritise women, smallholder farmers, and first-time borrowers. During FY26, the Company onboarded 52,073 smallholder farmers — 99% of the cohort being women — while sustaining a 61% smallholder share of the overall portfolio, well ahead of the Company's 50% minimum commitment.

The client satisfaction survey conducted with 60 Decibels recorded a Net Promoter Score of 88/100, reflecting continued trust even through a year of sector-wide stress. Employee well-being was supported through life and health insurance for all staff and 'Anyo', an AI-driven wellness platform offering therapy, nutrition, and lifestyle coaching.

88 / 100 Client Net Promoter Score Client satisfaction survey	2,80,000+ New-to-credit households reached No prior formal credit history	94% Borrowers from Economically Weaker Sections Deepening reach to the most underserved
61% Portfolio share to smallholder farmers Well above the 50% minimum threshold	99% Smallholder farmers onboarded in H2 who are women 14,049 onboarded in H2 FY26	98.7% Collection efficiency Maintained despite sector-wide stress

ESG INITIATIVES



Client Protection Certification — Silver

Certified by M-CRIL against the CERISE+SPTF framework — issued 26 September 2025, valid to 25 September 2028.

97.4% of indicators fully compliant across all eight Client Protection Standards.

ESG Due Diligence

Overall ESG risk category: Low Risk, with no significant risk elements identified across Environmental, Social or Governance dimensions.

Cumulative score 88.96/100 ("Very good") — Regulatory Compliance 25/25, Internal Policies 22/25, Performance Standards 41.96/50.

88.96
ESG SCORE / 100

Low
OVERALL RISK CATEGORY

The Avanti Platform

A flexible, scalable and compliant digital infrastructure for financial inclusion. This year it grew in three directions: new user-partners for collections and sourcing, machine-led credit decisioning with borrower handholding, and partner-facing APIs.

CORE CAPABILITIES

- Collection agencies and direct seller agencies onboarded as organisations, with assignment-based access and cash custodianship at branch and partner level.
- Onboarding self-defends: identity verifications carry a shelf life, and no loan progresses on stale or unverified data.
- Creditworthiness largely machine-decided — risk checks that hold a loan on their own, income models per product, MFI-qualification and lender assignment frozen consistently.
- Collection schedules published alongside repayment schedules; documents customised by loan type.
- Disbursal Manager routes each transaction type over its own banks, modes and priorities.
- Cash collection rebuilt: full custody chain from borrower to Avanti, live holdings visibility, graceful discrepancy handling.
- Promise-to-Pay powers compassionate collection; co-lending now configurable per product with lender and co-lender independent.

INFRASTRUCTURE

- Configurable UX, schema evolution without releases, granular ACLs, self-serve report and dashboard makers.
- Big Data warehouse now carries enough operational truth for portfolio, regulatory and API-cost decisions.
- India-hosted, RTO=0 for zonal failures, auto-scaled above peak; read-only mode keeps releases lossless.

COMPLIANCE & ROAD AHEAD

- Adherent to RBI, GoI, MEITY, TRAI, cybersecurity and Google Play guidelines; every loan carries an RBI-aligned asset classification.
- Code-of-conduct acceptance, stronger authentication and phone-number ownership enforced by the platform, not by process.
- Live: partner APIs across onboarding, loan creation, servicing, co-lending and documents; 2FA; risk-admin-built underwriting variables; actionable rejection reasons; structured settlements.

THE AI AGENDA

- Vernacular AI voice calling; WhatsApp chatbot for agents, partners and borrowers.
- A risk policy engine the risk team drives itself; portfolio analytics that warn ahead of delinquency.
- Operations dialogue tool resolving known issues from our own knowledge base; an AI-native layer over our APIs.
- Built in-house, in phases, on the APIs and warehouse already live.

SECTION TWO

Statutory Reports & Notices



NOTICE

NOTICE is hereby given that the Tenth 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 **Monday, September 28, 2026 at 04:00 PM 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, 2026 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, 2026 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 increase the authorized share capital of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61, 64 and other applicable provisions of the Companies Act, 2013 and as per the rules made thereunder, including any amendment(s) thereto or re-enactment(s) thereof for the time being in force, and in accordance with the provisions of the memorandum and articles of association of Avanti Finance Private Limited ("Company"), the consent of the members of the Company is hereby accorded to increase the authorized share capital of the Company from INR 6,12,70,00,000 (Indian Rupees Six Hundred Twelve Crore Seventy Lakhs only) divided into:

- i. 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- ii. 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iii. 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iv. 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,

AVANTI FINANCE PRIVATE LIMITED

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

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

CIN: U64920KA2016PTC138355

- v. 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vi. 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vii. 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- viii. 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- ix. 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each, and
- x. 5,00,00,000 (Five Crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each.

To

INR 6,42,70,00,000 (Indian Rupees Six Hundred Forty Two Crore Seventy Lakhs only) divided into:

- i. 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- ii. 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iii. 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iv. 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- v. 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vi. 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- vii. 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- viii. 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- ix. 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- x. 8,00,00,000 (Eight Crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each.

RESOLVED FURTHER THAT each of the directors of the Company or Ms. Urvashi P. Bahirsheth, Company Secretary or any person authorized by the directors, be and is hereby severally authorized to do all acts, deeds and things, to execute and submit all applications / forms / documents through electronic mode or in physical form and to sign such forms / documents / application for correction, either by signing through electronic mode (digital signature) or by affixing signature manually as may be required for the said purposes and to

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engage a practicing company secretary or a practicing chartered accountant or a practicing cost accountant (as the case may be) to certify the requisite e-forms for necessary filings and file Form SH-7 with the jurisdictional registrar of companies in accordance with Section 64(1) of the Companies Act, 2013 and Rule 15 of the Companies (Share Capital and Debentures) Rules, 2014 and to provide the above mentioned professionals with the necessary information and document(s) as may be required by them and authorize them to exercise the powers so delegated on behalf of the Company;

RESOLVED FURTHER THAT each of the directors of the Company and / or the Authorised Signatories, namely:

Sr. No.	Name	Designation
1.	Mr. Manish Thakkar	Chief Operating Officer
2.	Mr. Sunil Kumar Tadepalli	Chief of Partnerships and HR
3.	Mr. Sushil Thaker	Chief Financial Officer
4.	Ms. Urvashi P. Bahirsheth	Company Secretary & CCO
5.	Mr. Bhanuprasanth P	Authorised Signatory
6.	Mr. Darshil Mehta	Authorised Signatory

be and are hereby severally authorised to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution, including without limitation signing, issuing and delivering a certified true copy of the foregoing resolution to any concerned persons / authority.”

3. **To approve the amendment of the memorandum of association of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions of the Companies Act, 2013 and as per the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), the consent of the members of the Company is hereby accorded for substitution of existing Clause 5 of the memorandum of association of the Company as follows:

The authorised share capital of the Company is INR 6,42,70,00,000 (Indian Rupees Six Hundred Forty Two Crore Seventy Lakhs only) divided into:

- (i) 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- (ii) 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- (iii) 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,

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- (iv) 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- (v) 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- (vi) 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- (vii) 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- (viii) 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- (ix) 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- (x) 8,00,00,000 (Eight Crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each.

RESOLVED FURTHER THAT each of the directors of the Company or Ms. Urvashi P. Bahirsheth, Company Secretary or any person authorized by the directors, be and is hereby severally authorized to do all acts, deeds and things, to execute and submit all applications / forms / documents through electronic mode or in physical form and to execute such forms / documents / application for correction, either by signing through electronic mode (digital signature) or by affixing signature manually as may be required for the said purposes and to engage a practicing company secretary or a practicing chartered accountant or a practicing cost accountant (as the case may be) to certify the requisite e-forms for necessary filings and to provide the above mentioned professionals with the necessary information and document(s) as may be required by them and authorize them to exercise the powers so delegated on behalf of the Company;

RESOLVED FURTHER THAT each of the directors of the Company and / or the Authorised Signatories, namely:

Sr. No.	Name	Designation
1.	Mr. Manish Thakkar	Chief Operating Officer
2.	Mr. Sunil Kumar Tadepalli	Chief of Partnerships and HR
3.	Mr. Sushil Thaker	Chief Financial Officer
4.	Ms. Urvashi P. Bahirsheth	Company Secretary & CCO
5.	Mr. Bhanuprasanth P	Authorised Signatory
6.	Mr. Darshil Mehta	Authorised Signatory

be and are hereby severally authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution, including without limitation signing, issuing and delivering a certified true copy of the foregoing resolution to any concerned persons/authority.”

4. To approve execution and performance of the Series B5 securities subscription agreement, shareholders’ agreement and other transaction documents

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

“RESOLVED THAT the consent of the members of the Company is hereby accorded to Avanti Finance Private Limited (‘Company’) to authorise to receive the investment from:

- i. NRJN Family Trust, a trust having its office at No. 24, 4th Floor, 1st Cross, Magrath Road, Bengaluru – 560025 represented by Entrust Family Office Legal & Trusteeship Services Private Limited (‘Subscriber’),

by way of, subscription to such number of Series B5 compulsorily convertible preference shares (‘Series B5 CCPS’) of face value of INR 10 (Indian Rupees Ten only) per Series B5 CCPS, on the terms and conditions as set out under the Series B5 securities subscription agreement to be entered into between the Company, NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, Dr. Vijay Kelkar and Mr. Nandan Nilekani (‘Series B5 SSA’) as approved by the board of directors (‘Board’);

RESOLVED FURTHER THAT in supersession of the shareholders’ agreement dated October 23, 2025, as amended from time to time, entered into by and between the Company, Avanti Microfinance Private Limited, Gates Foundation, Nomura Capital (India) Private Limited, Waaoo Partners LLP, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Oikocredit, Ecumenical Development Cooperative Society U.A., MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Mr. Kewal Krishan Nohria, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Legal heirs of Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, the Company be and is hereby authorised to enter into a shareholders’ agreement with Avanti Microfinance Private Limited, Gates Foundation, Nomura Capital (India) Private Limited, Waaoo Partners LLP, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Oikocredit, Ecumenical Development Cooperative Society U.A., MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Nitin Nohria Family Private Trust represented by Warmond Fiduciary Services Limited, Anju Nohria Family Private Trust represented by Warmond Fiduciary Services Limited, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Legal executor(s) of Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited (‘SHA’) as approved by the Board;

RESOLVED FURTHER THAT each of the directors of the Company and / or the following authorised officials of the Company (‘Authorised Signatories’) be and are hereby severally authorized to negotiate, finalize, execute, deliver and perform on behalf of the Company, the Series B5 SSA, SHA, and such other ancillary documents and writings, including but not limited to the Disclosure Letters, as may be required to be executed, delivered and performed in connection with the Series B5 SSA, SHA (collectively, the ‘Transaction Documents’).

Sr. No.	Name	Designation
1.	Mr. Manish Thakkar	Chief Operating Officer

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2.	Mr. Sunil Kumar Tadepalli	Chief of Partnerships and HR
3.	Mr. Antony Cherian	Chief Risk Officer
4.	Mr. Sushil Thaker	Chief Financial Officer
5.	Ms. Urvashi P. Bahirsheth	Company Secretary & CCO
6.	Mr. Darshil Mehta	Authorised Signatory

RESOLVED FURTHER THAT drafts of the Transaction Documents, as circulated, be and are hereby approved and the same be executed with other parties thereto, as applicable, with or without modifications as deemed fit, by one or more directors or Authorised Signatories of the Company, as authorized by the Board in that behalf;

RESOLVED FURTHER THAT each of the directors of the Company and / or the Authorised Signatories, be and are hereby severally authorized to make all such necessary filings, intimations with or to the concerned regulatory, statutory or governmental authorities or third parties and do all such acts, deeds and things arising out of or in connection with the matters envisaged under the Transaction Documents, including issuing undertakings, opinions, certificates, confirmations, consents and clarifications to, and obtaining consents, no objections and / or approvals from third parties, lenders or any regulatory, statutory or governmental authority, if any, as may be required for and on behalf of the Company pursuant to, or for giving effect to, this resolution;

RESOLVED FURTHER THAT each of the directors of the Company and / or the Authorised Signatories, be and are hereby severally authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution, including without limitation signing, issuing and delivering a certified true copy of the foregoing resolution to any concerned persons/authority."

5. To:

(a) approve the issuance of Series B5 Subscription Securities in accordance with applicable law;

(b) approve the draft of the private placement offer cum application letter for issuance of Series B5 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B5 Offer Letter');

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

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 55, 62(1)(c) and other applicable provisions of the Companies Act, 2013 read with Rules 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the rules framed thereunder, the applicable regulations, notifications, circulars, master circulars etc. issued by the Reserve Bank of India (the 'RBI') under the Foreign Exchange Management Act, 1999, as amended from time to time or any other law

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for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the memorandum and articles of association of Avanti Finance Private Limited ('Company'), the consent of the members of the Company is hereby accorded to the terms and conditions as set out under the Series B5 securities subscription agreement to be entered into between the Company, NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, Dr. Vijay Kelkar, and Mr. Nandan Nilekani ("Series B5 SSA/Subscription Agreement"), the approval of the shareholders of the Company be and is hereby granted for offer and issue of 3,00,00,000 Series B5 compulsorily convertible preference shares ('Series B5 CCPS') of face value of INR 10 (Indian Rupees Ten only) per Series B5 CCPS, on the terms and conditions as mentioned in the Series B5 SSA, aggregating to INR 30,00,00,000/- (Indian Rupees Thirty Crores), in demat form on a private placement basis to the following identified subscriber:

Name and Details of the Subscriber	Type of Security	Number of Securities	Total Amount (in INR)
NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	Series B5 CCPS	3,00,00,000	30,00,00,000

RESOLVED FURTHER THAT pursuant to requirements of Rule 9(2) of Companies (Share Capital and Debentures) Rules, 2014 the following are the rights, terms & conditions and other details with respect to the said Series B5 CCPS:

- 1.1. Each Series B5 CCPS, so issued and allotted shall be a fully paid-up compulsorily convertible preference share of the Company having a face value of INR 10 (Indian Rupees Ten only) and shall be subject to terms of the Subscription Agreement and other Transaction Documents and that provisions relating to redemption of preference shares will not be applicable since the said Series B5 CCPS are compulsorily convertible in nature.
- 1.2. **Dividend:**
 - (i) Each holder of Series B5 CCPS shall be paid a cumulative preferential annual dividend in an amount equal to 0.001% of the face value of the Series B5 CCPS held by such holder of Series B5 CCPS, *pari passu* to holders of Series A CCPS, Series A1 CCPS, Bridge CCPS, Series B CCPS, Series B1 CCPS, Series B2 CCPS, Series B3 CCPS and Series B4 CCPS and in preference and priority to the payment of any dividend in respect of all Equity Shares. In the event that the preference dividends exceed the return permitted under Applicable Law, the dividends or other distributions to the holders of the Securities would also be capped accordingly.
 - (ii) In the event the profits available for distribution are not sufficient to pay the full amount of the dividend due for payment in any financial year, then such unpaid

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dividend shall be accumulated and shall be payable in the following financial year, to the extent the Company has profits available for distribution.

- (iii) Without prejudice to the foregoing and in addition to the same, if dividend is declared on the Equity Shares or any other class of Securities, other than CCPS, whether in excess of 0.001% per annum or not, the holders of Series B5 CCPS shall be entitled to participate in such dividend on a *pari passu* basis along with the holders of the Equity Shares or any other class of Securities on an 'as if converted' basis, along with holders of Series A CCPS, Series A1 CCPS, Bridge CCPS, Series B CCPS, Series B1 CCPS, Series B2 CCPS, Series B3 CCPS and Series B4 CCPS.
- (iv) Upon conversion of the Series B5 CCPS into Equity Shares, holders of Series B5 CCPS shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of Equity Shares.
- (v) The amount payable as dividend on Series B5 CCPS in any financial year shall be the amount that has accrued since the day on which the last dividend was paid from the date of issue of the Series B5 CCPS.

1.3. **Conversion of Series B5 CCPS:**

- (i) **Conversion Ratio:** Each Series B5 CCPS issued to the holders shall be convertible into 1 (one) Equity Share of the Company at the option of the holders of Series B5 CCPS, subject to adjustments on a proportionate basis for stock splits, consolidations, stock dividends, bonus shares, recapitalisations and other similar occurrences.

Provided, however, if the Company issues any Security to any Person at an issue or a conversion price per Security that is lower than the Conversion Price, then the conversion price of Series B5 CCPS shall be adjusted to such issue or conversion price per Security, whichever is lower ("**Revised Conversion Price**"). Company shall promptly take all necessary steps to adjust the Conversion Price through a reduction of the Conversion Price to the Revised Conversion Price, subject to Applicable Law.

Provided further that if pursuant to an investment (as specified in the proviso above), the effective conversion price with respect to Securities to be issued for the investment, through direct or indirect change in the capital structure, reduces below the Conversion Price of Series B5 CCPS, then the benefit with respect to such adjustment on the effective price of the conversion of such Securities shall also be made available to Subscriber.

- (ii) **Compulsory Conversion:** Each Series B5 CCPS issued to their respective holders as a part of Subscription Securities shall automatically convert into Equity Shares of the Company in accordance with the conversion ratio provided under Clause 1.3(i)

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above, on 29 March, 2046 (“**Compulsory Conversion Event**”). It is hereby clarified that no Series B5 CCPS issued as part of Subscription Securities shall compulsorily convert into equity shares in any event other than the Compulsory Conversion Event.

- (iii) Notice of Conversion: Each holder of Series B5 Round 2 CCPS shall provide a written communication to the Company regarding the exercise of its option to convert Series B5 CCPS held by it into Equity Shares of the Company.

Provided however that –

- (a) in the event the conversion into Equity Shares as contemplated under this Clause 1.3 is not permitted under Applicable Law, the Parties shall forthwith take all necessary steps (including waiving their statutory entitlements) to implement an alternate mechanism permissible under Applicable Law to give substantively the same effect as would have been available to the Subscriber if such conversion into Equity Shares was permissible under Applicable Law;
 - (b) the conversion into Equity Shares as contemplated under this Clause 1.3 shall be proportionately and appropriately adjusted (as required) for any Adjustment Event;
 - (c) no fractional shares shall be issued upon conversion of the Series B5 Round 2 CCPS and the total number of Equity Shares to be issued post conversion of the Series B5 Round 2 CCPS shall, subject to Applicable Law, be rounded off to the nearest whole number;
 - (d) upon conversion of the Series B5 Round 2 CCPS, the holders of Series B5 Round 2 CCPS shall be issued Equity Shares and shall not be required at the time of conversion of Series B5 Round 2 CCPS into Equity Shares to pay any amount to the Company towards such Equity Shares; and
 - (e) all Equity Shares issued as a result of conversion of Series B5 Round 2 CCPS shall be free and clear of all Encumbrance and shall rank *pari passu* with the outstanding Equity Shares.
- (iv) Conversion Actions: Upon receipt of a written communication from the Subscriber of its intention to convert Series B5 Round 2 CCPS held by it into Equity Shares or upon occurrence of the Compulsory Conversion Event, the Company shall take all actions necessary to effectuate the conversion of the Series B5 Round 2 CCPS held by Subscriber into fully paid up Equity Shares including but not limited to: (a) holding a Board meeting to authorise the issue of fully paid up Equity Shares to Subscriber; (b) issuing and delivering to the relevant Subscriber, certificates for the number of Equity Shares to which Subscriber is entitled upon such conversion; (c) the cancellation of the share certificates and/or any other instrument representing such Series B5 Round 2 CCPS; (d) registering the name of Subscriber as the legal and beneficial owner of the Equity Shares in the statutory registers of the Company; and

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(e) doing all such reporting and filings with the relevant Governmental Authority as required under Applicable Law for the conversion of Series B5 Round 2 CCPS into Equity Shares.

- (v) Senior rights: The senior rights and liquidation preference specified in Clause 6.6 of the Subscription Agreement shall be available to Subscriber both at the time when the Series B5 CCPS held by Subscriber continues as such, or when the same is converted into Equity Shares in accordance with the provisions of the Subscription Agreement including Clause 6.6(iii) of the Subscription Agreement.
- (vi) Each Series B5 Round 2 CCPS shall carry voting rights equivalent to 1 (one) Equity Share, that is, each Series B5 Round 2 CCPS shall carry 1 (one) vote ("**CCPS Voting Ratio**");

Provided that if pursuant to Applicable Law or for any other reason, the Company is unable to recognize the voting rights (as provided above) of the holders of Series B5 Round 2 CCPS, the Founders and the other Shareholders holding Equity Shares shall exercise such portion of their voting rights (as attached to their Equity Shares) commensurate with the voting rights attributable to the Series B5 Round 2 CCPS (per the CCPS Voting Ratio) in the manner instructed by the Series B5 Round 2 CCPS holder. The obligation of the Founders and such other Shareholders to exercise their voting rights as aforesaid shall be *pro-rated* in accordance with their *inter se* shareholding in the Company. In any general meeting of the Company, the calculation of votes in respect of any matter placed before the Shareholders shall not be complete unless the votes of the Subscriber as part of the Series B5 Round 2 CCPS (pursuant to exercise of voting rights by the Founders and other Shareholders on the instructions of the Series B5 Round 2 CCPS holders in the manner set out hereinabove) are counted.

- 1.4. In the event that the proposed conversion of Series B5 Round 2 CCPS pursuant to Clause 1.3 above triggers the requirement of receiving prior RBI approval in terms of the NBFC Master Directions and/or such other directions, regulations or circulars as may be issued by RBI in relation to governance of NBFCs, the Company shall, prior to such conversion, undertake all such actions as may be reasonably required and Subscriber shall provide all such information and execute all such documents as may be reasonably required to obtain such approval from RBI.
- 1.5. The Series B5 Round 2 CCPS shall be freely transferable in accordance with and subject to the restrictions set out in the Shareholders' Agreement.

RESOLVED FURTHER THAT the valuation report dated September 18, 2026 submitted by CA Gaurang Rajesh Shah, the registered valuer appointed in accordance with Section 247 of the Companies Act, 2013 as placed before the members of the Company be and is hereby taken on record;

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RESOLVED FURTHER THAT the draft private placement letter of offer in Form PAS-4 ("Offer Letter"), Form PAS-5 ("Offer Record") and application form and other related documents for the issuance of the Subscription Securities as fully paid-up, on a preferential cum private placement basis be and is hereby approved to be issued to NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited;

RESOLVED FURTHER THAT the Company hereby records the name of NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, and maintains the Offer Record in respect of the issuance of the Subscription Securities;

RESOLVED FURTHER THAT in respect of the issuance of the Series B5 Subscription Securities, Ms. Urvashi P. Bahirsheth, Company Secretary be and is hereby authorized to prepare, finalise, amend, sign and circulate Series B5 CCPS Offer Letter, determine, open and close the offer period, allot the Series B5 CCPS, maintain complete records of the private placement offers in Form PAS-5 and file other necessary forms, documents etc. with the relevant registrar of companies, the RBI and all the other regulators, authorities and intermediaries involved in the said offer, issue and allotment;

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

- i. negotiate and finalise the timing, terms and conditions of the Series B5 CCPS to be issued pursuant to the Series B5 SSA, to the Subscribers together with all other documents, agreements, instruments, letters and writings required including but not limited to the Disclosure Letters, in connection with, or ancillary to, the Series B5 SSA and for allotment of the Series B5 CCPS, as may be necessary or required for the aforesaid purpose including to sign and / or dispatch all forms, filings, documents and notices to be signed, submitted and / or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Series B5 SSA, SHA (collectively, the "Transaction Documents"), the ancillary documents and other deeds, documents and other writings as and when necessary and to take all such further steps as may be required to give effect to the aforesaid resolution;
- ii. obtain all necessary authorizations from governmental authorities and / or third parties required in connection with the transactions contemplated under the Series B5 SSA and complete all formalities in respect thereto;
- iii. file with the relevant Registrar of Companies and any other regulator or body all particulars in respect of the proposed issuance of the Series B5 CCPS, as may be required, in the prescribed forms;

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iv. arrange for payment of the applicable stamp duty in respect of the Series B5 CCPS, and all other Transaction Documents, as may be applicable; and

v. do all acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions and to execute on behalf of the Company such deeds, documents, agreements and writings in this regard.

RESOLVED FURTHER THAT pursuant to the provisions of Section 42 of the Companies Act, 2013 current account of the Company maintained with Federal Bank Limited bearing account number 14370200016526 shall be the separate bank account which shall be used for receipt of the subscription / application money for the aforementioned issuance of Series B5 Subscription Securities and the said money shall not be utilised until the allotment is made and relevant e-Form PAS-3 is not filed;

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

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

RESOLVED FURTHER THAT each of the directors of the Company and / or the Authorised Signatories, be and are hereby severally authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution, including without limitation signing, issuing and delivering a certified true copy of the foregoing resolution to any concerned persons / authority."

(All capitalised terms not defined in this resolution shall have the respective meanings set forth in the Series B5 SSA and SHA)

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

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

"RESOLVED THAT pursuant to the provisions of Section 5 and Section 14 and all other applicable provisions of the Companies Act, 2013 ("Act") and Companies (Incorporation) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the shareholders of Avanti Finance Private Limited ("Company") be and is hereby accorded to amend and restate the existing articles of association of the Company in terms of the shareholders' agreement dated September 28,

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2026 ("SHA") executed amongst the Company, Avanti Microfinance Private Limited, Gates Foundation, Nomura Capital (India) Private Limited, Waa Partners LLP, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Oikocredit, Ecumenical Development Cooperative Society U.A., MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Nitin Nohria Family Private Trust represented by Warmond Fiduciary Services Limited, Anju Nohria Family Private Trust represented by Warmond Fiduciary Services Limited, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Legal executor(s) of Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, with the amended and restated articles of association as placed before the shareholders, and such amended and restated articles of association be adopted as the articles of association of the Company, in substitution for and to the exclusion of all the previous articles of association of the Company.

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

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 28, 2026

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, GENERAL CIRCULAR NO 09/2024 DATED 19.09.2024 AND 03/2025 DATED 22.09.2025

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 and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of section 112 and 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose voting through remote e-voting or for participation and voting in the meeting. The Corporate Shareholders proposing to participate at the meeting through their representative, may forward the necessary authorization under Section 113 of the Act for such representation to the Company through e-mail to urvashi@avantifinance.in before the commencement of the meeting.
- ii. The Members are requested to use the following link details to join the meeting via video conference: <https://avantifinanceprivatelimited.my.webex.com/meet/pr1583753901>
- iii. For ease of participation of the Members, during the meeting, members may post questions during and also, before the meeting, by writing to urvashi@avantifinance.in
- iv. On the date of the meeting, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting, may join, using the above link 15 minutes before the time scheduled to start the meeting until 15 minutes after such scheduled time. After the scheduled time no person shall be able to join the meeting.
- v. In case any member requires assistance for using the aforementioned link before or during the meeting, you may reach out to the Company Secretary at 080-43722581.
- vi. In order to ensure the smooth participation, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting are requested to ensure that the device used for attending the meeting through video conferencing has strong internet signal/ network.

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- vii. The deemed venue for the 10th AGM shall be the Registered Office of the Company situated at No. # 2727, 2nd floor, 1st Main Road, HAL 3rd Stage, Ward no.58 (Old No. 83) New Thippasandra, Bangalore, Bangalore North, Karnataka, India, 560075
- viii. Since the meeting will be conducted through video conferencing facility, the route map is not annexed to this Notice.

b) Voting:

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

Example 1: Using symbol (‘√’)

Item no. of agenda	Assent	Dissent
1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2026 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	√	
2. To re-classify and increase the authorized share capital	√	
3. To approve the amendment of the memorandum of association of the Company	√	
4. To approve execution and performance of the Series B5 securities subscription agreement, shareholders’ agreement and other transaction documents	√	
5. To: (a) approve the issuance of Series B5 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B5 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 (‘Series B5 Offer Letter’); (c) authorize the Directors to issue and execute the Offer Letter	√	
6. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company	√	

AVANTI FINANCE PRIVATE LIMITED

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Example 2: Using number of shares held.

Item no. of agenda	Assent	Dissent
1. To consider and adopt the Audited Financial Statements (including Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2026 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	100	
2. To re-classify and increase the authorized share capital	100	
3. To approve the amendment of the memorandum of association of the Company	100	
4. To approve execution and performance of the Series B5 securities subscription agreement, shareholders' agreement and other transaction documents	100	
5. To: (a) approve the issuance of Series B5 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B5 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B5 Offer Letter'); (c) authorize the Directors to issue and execute the Offer Letter	100	
6. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company	100	

c) Other instructions/ information:

- Members are requested to address all communications through their registered e-mail id only.
- 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.
- Incase of any doubts or clarification, the members are requested to contact Ms. Urvashi P. Bahirsheth through e-mail: urvashi@avantifinance.in
- 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.

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

Item No. 2

To re-classify and increase the authorized share capital

The existing Authorized Share Capital of the Company INR 6,12,70,00,000 (Indian Rupees Six Hundred Twelve Crore Seventy Lakhs only) divided into:

- i. 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- ii. 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iii. 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iv. 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- v. 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vi. 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vii. 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- viii. 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- ix. 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each, and
- x. 5,00,00,000 (Five crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each

The Board of Directors have decided to increase the authorized share capital to INR 6,42,70,00,000 (Indian Rupees Six Hundred Forty Two Crore Seventy Lakhs only) divided into:

- i. 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- ii. 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iii. 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iv. 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- v. 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,

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- vi. 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- vii. 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- viii. 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- ix. 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- x. 8,00,00,000 (Eight crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each

The said alteration require the shareholders' approval by way of Ordinary Resolution.

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

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

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

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

The Board recommends the Resolution at Item No. 2 of the Notice for your approval by way of ordinary resolution.

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Item No. 3**To approve the amendment of the memorandum of association of the Company**

The existing Authorized Share Capital of the Company is INR 6,12,70,00,000 (Indian Rupees Six Hundred Twelve Crore Seventy Lakhs only) divided into:

- i. 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- ii. 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iii. 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iv. 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- v. 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vi. 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vii. 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- viii. 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- ix. 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- x. 5,00,00,000 (Five Crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each

The Board of Directors have decided to increase the authorized share capital to INR 6,42,70,00,000 (Indian Rupees Six Hundred Forty Two Crore Seventy Lakhs only) divided into:

- i. 15,75,00,000 (Fifteen Crore and Seventy Five Lakh) equity shares of face value of INR 10 (Indian Rupees Ten only) each,
- ii. 11,50,00,000 (Eleven Crore and Fifty Lakh) Series A CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iii. 1,90,00,000 (One Crore and Ninety Lakh) Series A1 CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- iv. 3,20,00,000 (Three Crore and Twenty Lakh) Bridge CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- v. 5,72,00,000 (Five Crore and Seventy Two Lakh) Series B CCPS of face value of INR 10 (Indian Rupees Ten only) each,
- vi. 1,50,00,000 (One Crore and Fifty Lakh) Series B1 CCPS of face value of INR 10 (Indian Rupees Ten only) each

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- vii. 2,50,00,000 (Two Crore and Fifty Lakh) Series B2 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- viii. 6,70,00,000 (Six Crore and Seventy Lakh) Series B3 CCPS of face value of INR 10 (Indian Rupees Ten only) each
- ix. 7,50,00,000 (Seven Crore and Fifty Lakh) Series B4 CCPS of face value of INR 10 (Indian Rupees Ten only) each and
- x. 8,00,00,000 (Eight Crore) Series B5 CCPS of face value of INR 10 (Indian Rupees Ten only) each

Consequent to the increase of the Authorized Share Capital as detailed above, the Clause 5th of the Memorandum of Association needs to be altered to reflect the changes. These alterations require the shareholders' approval by way of Ordinary Resolution.

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

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

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

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

The Board recommends the Resolution at Item No. 3 of the Notice for your approval by way of ordinary resolution.

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Item No. 4 and 5**To approve execution and performance of the Series B5 securities subscription agreement, shareholders' agreement and other transaction documents****To:****(a) approve the issuance of Series B5 Subscription Securities in accordance with applicable law;****(b) approve the draft of the private placement offer cum application letter for issuance of Series B5 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B5 Offer Letter');****(c) authorize the Directors to issue and execute the Offer Letter**

The Company intends to raise capital from NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited for which it is proposed to enter into Series B5 securities subscription agreement to be entered into between the Company, NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, Dr. Vijay Kelkar and Mr. Nandan Nilekani ("Series B5 SSA") by way of, subscription to such number of Series B5 compulsorily convertible preference shares ('Series B5 CCPS') of face value of INR 10 (Indian Rupees Ten only) per Series B5 CCPS.

A. Series B5 Compulsorily Convertible Preference Shares ('Series B5 CCPS'):**(a) the size of the issue and number of preference shares to be issued and nominal value of each share:**

3,00,00,000 Series B5 CCPS of INR 10 each.

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

As per the terms and conditions mentioned in the Series B5 SSA.

(c) the objectives of the issue:

The proceeds of the issue will be used only as per the provisions of the business plan or for such other purposes as are approved by the subscribers in writing in terms of the Series B5 SSA.

(d) the manner of issue of shares:

Private Placement Basis

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

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INR 10.00

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

The price has been arrived on the basis of valuation report received from CA Gaurang Rajesh Shah, the registered valuer in terms of Section 247 of the Companies Act, 2013.

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

As per the terms and conditions mentioned in the Series B5 SSA.

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

As per the terms and conditions mentioned in the Series B5 SSA.

(i) the manner and modes of redemption:

The provisions relating to redemption of preference shares will not be applicable since the said Series B5 CCPS are compulsorily convertible in nature.

(j) the current shareholding pattern of the company:

Sr No.	Category	Current shareholding																							
		No of Shares held (equity)	% of shareholding (Equity)	No of shares held (Series A CCPS)	% of shareholding (Series A CCPS)	No of shares held (Series A1 CCPS)	% of shareholding (Series A1 CCPS)	No of shares held (Bridge CCPS)	% of shareholding (Bridge CCPS)	No of shares held (Series B CCPS)	% of shareholding (Series B CCPS)	No of shares held (Series B1 CCPS)	% of shareholding (Series B1 CCPS)	No of shares held (Series B2 CCPS)	% of shareholding (Series B2 CCPS)	No of shares held (Series B3 CCPS)	% of shareholding (Series B3 CCPS)	No of shares held (Series B4 CCPS)	% of shareholding (Series B4 CCPS)	No of shares held (Series B5 CCPS)	% of shareholding (Series B5 CCPS)	No of shares held (Employee Stock Option Warrants)	% of shareholding (Employee Stock Option Warrants)	No of shares held (Other Warrants)	% of shareholding (Other Warrants)
A	Promoter's holding																								
1	Indian																								
	Individual	1,77,45,446	11.76%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bodies Corporate																								
	Sub total	1,77,45,446	11.76%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Foreign Promoters	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total(A)	1,77,45,446	11.76%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	Non-Promoter's holding																								
1	Institutional Investor	-	-	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100	1,39,32,428	97.56%	1,23,02,112	60.94%	6,49,40,002	97.01%	7,50,00,000	100.00%	5,00,00,000	100.00%	15,00,000	100.00%	20,00,000	100.00%
2	Non Institutional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Private Corporate bodies	-	-	-	-	-	-	-	-	-	-	-	-	31,53,578	15.62%	20,00,000	2.99%	-	-	-	-	-	-	-	-
	Directors and Relatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indian Public	18,75,000	1.24%	-	-	-	-	-	-	-	-	3,48,311	2.64%	47,30,369	23.43%	-	-	-	-	-	-	-	-	-	-
	Others(Including Non-resident Indians(NRI))	13,12,86,747	87.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total(B)	13,31,61,747	88.24%	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100	1,42,80,739	100	2,01,86,059	100	6,69,40,002	100	7,50,00,000	100	5,00,00,000	100	15,00,000	100	20,00,000	100
	Grand total	15,09,07,193	100	11,24,00,000	100	1,86,00,000	100	3,20,00,000	100	5,71,22,955	100	1,42,80,739	100	2,01,86,059	100	6,69,40,002	100	7,50,00,000	100	5,00,00,000	100	15,00,000	100	20,00,000	100

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

As per the terms and conditions mentioned in the Series B5 SSA.

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

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September 28, 2026

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

CA Gaurang Rajesh Shah

Address: 201, Neelkanth Commercial Centre, Sahar Road, Vile Parle East, Mumbai – 400099

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

Resident Investor

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

June 30, 2026

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

Sl. No.	Proposed allottee	Address	Class of proposed allottee	percentage of post preferential offer capital
1	NRJN Family Trust	No. 24, 4th Floor, 1st Cross, Magrath Road, Bengaluru – 560025	Trust	100

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

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

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

N/A

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

Sr. No.	Name of the Investors	Number of Securities	Type of Issue	Consideration (in INR)
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1.	UTI Structured Debt Opportunities Fund III	20,00,000	Private placement of Share Warrants	20,000
2.	Blue Ashva Mangalam Large Value Fund-I	500	Private placement of Non-Convertible Debentures	5,00,00,000
3.	Indel Money Limited	2000	Private placement of Non-Convertible Debentures	20,00,00,000
4.	Indel Money Limited	2500	Private placement of Non-Convertible Debentures	25,00,00,000

(t) the proposed time within which the allotment shall be completed:

30 days

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

Sr. No.	Category	Pre Issue										Post Issue									
		No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)	No. of Shares Held Before Allotment (No. of Shares)	Shareholding Pattern (%)
Promoter's holding																					
1	Indian																				
	Individual	1,77,45,440	11.70%											1,77,45,440	11.70%						
	Jointly Corporate																				
	Sub total	1,77,45,440	11.70%											1,77,45,440	11.70%						
	Foreign Promoters	0												0							
	Sub total	1,77,45,440	11.70%											1,77,45,440	11.70%						
Non Promoter's holding																					
1	Institutional Investor	11,24,20,000	70.30%	1,86,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%
2	Non Institutional																				
	Private Corporate Bodies																				
	Director and Relative																				
	Indian Public	38,79,000	1.20%											38,79,000	1.20%						
	Overseas/Foreign Investor (Indian/NRI)	11,12,36,747	67.30%											11,12,36,747	67.30%						
	Sub Total	11,12,36,747	67.30%	1,24,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%
	Grand total	11,12,36,747	67.30%	1,24,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%	1,20,00,000	100%

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

INR 30,00,00,000/- (Indian Rupees Thirty Crore only)

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:

- Every director and the manager, if any – Mr. Nandan Nilekani, Director of the Company is the Author of NRJN Family Trust, proposed allottee. His interest is consistent with all previous allotments made to the proposed allottee.
- Every other key managerial personnel and - None of the key managerial personnel have any concern or interest, financial or otherwise

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- 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 Resolutions at Item No. 4 and 5 of the Notice for your approval by way of special resolution.

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CIN: U64920KA2016PTC138355

Item No. 6**To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company**

The members are informed that pursuant to the provisions of the shareholders' agreement dated September 28, 2026 ("SHA") executed amongst the Company, Avanti Microfinance Private Limited, Gates Foundation, Nomura Capital (India) Private Limited, Waa Partners LLP, Rabo Partnerships B.V., IDH Farmfit Fund B.V., Oikocredit, Ecumenical Development Cooperative Society U.A., MI India Capital and Investment Private Limited, Mr. Naveen Kukreja, Nitin Nohria Family Private Trust represented by Warmond Fiduciary Services Limited, Anju Nohria Family Private Trust represented by Warmond Fiduciary Services Limited, Mr. Ajay Kumar Aggarwal, Mr. Rajat Goenka, Sak Industries Private Limited, Legal executor(s) of Mr. Ratan Tata, Dr. Vijay Kelkar, Mr. Nandan Nilekani and NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited, it is necessary to adopt revised Articles of Association ('Articles') of the Company. This alteration requires the shareholders' approval by way of Special Resolution.

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

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

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

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

The Board recommends the Resolution at Item No. 6 of the Notice for your approval by way of special resolution.

For Avanti Finance Private Limited

Sd/-

Name: Ms. Urvashi P. Bahirsheth

AVANTI FINANCE PRIVATE LIMITED

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

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

CIN: U64920KA2016PTC138355



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 28, 2026

Place: Bengaluru

AVANTI FINANCE PRIVATE LIMITED

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

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

CIN: U64920KA2016PTC138355

DIRECTORS' REPORT

To

The Members of **AVANTI FINANCE PRIVATE LIMITED**

The Directors are pleased to present the Tenth annual report with the audited financial statements of the Company for the year ended on March 31, 2026.

FINANCIAL RESULTS:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from Operations	26,445.20	38,949.91	26,639.04	39,135.23
Other Income	2.90	315.80	0.99	322.51
Total Income	26,448.10	39,265.71	26,640.03	39,457.74
Total Expenses	43,095.41	51,463.38	43,210.64	51,579.82
Profit/(Loss) before Tax	(16,647.31)	(12,197.67)	(16,570.61)	(12,122.08)
Provision for Taxation (net)	0.00	0.00	0.00	0.00
Profit/(Loss) after Tax	(16,647.31)	(12,197.67)	(16,570.61)	(12,122.08)

STATE OF THE COMPANY'S AFFAIRS / OPERATION REVIEW:

During the year ended March 31, 2026, 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, 2026	For the year ended March 31, 2025	% change	For the year ended March 31, 2026	For the year ended March 31, 2025	% change
88,928.58	1,53,450.70	-42.04	89,540.77	1,54,549.10	-42.06

The 2025-26 Financial year was a very challenging one for Avanti on account of the continued stress in the Microfinance segment. Asset quality was volatile in the first half and the impact of the old book had an adverse impact on credit costs. The company tightened credit underwriting, continued its focus on collections and enhanced Operational risk which brought about more stability and predictability from Q3 onwards. However, wholesale liquidity to the sector remained tight, especially to smaller institutions and this reduced our lending capacity thereby resulting in an AUM reduction of around 42% from the previous year. The combination of elevated credit costs and reduced revenues resulted in an annualised loss of INR 166Cr.

Avanti's founder and investors continued to support the company via a total equity infusion of INR 125 crores during the year. This showcased the long term commitment to the company, the sector and stated vision and kept the capital adequacy strong at 33.17%. Avanti has also been able to raise a total debt of INR 265.70 Cr during the year via a combination of term loans from reputed FI's and from NCD's.

AVANTI FINANCE PRIVATE LIMITED

The management of the company took a series of measures to reduce operation costs. These include technology costs related to future innovation & development, renegotiated and reduced costs with service providers and also right sizing manpower across levels.

From Q3 onwards the stability in asset quality, better wholesale liquidity, positive unit economics and lower operating expenses gives the confidence for a turnaround in the next fiscal.

DIVIDEND:

In absence of profitability for the period under review, the Board of Directors do not recommend any dividend for the year ended on March 31, 2026.

AMOUNT TRANSFERRED TO RESERVES:

The Company has transferred INR 2.09 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.

CHANGES IN SHARE CAPITAL:

Authorised share capital:

As on March 31, 2026, the Authorised Share Capital of the Company stood at INR 6,12,70,00,000 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,
- (viii) 6,70,00,000 Series B3 CCPS of face value of INR 10/- each,
- (ix) 7,50,00,000 Series B4 CCPS of face value of INR 10/- each, and
- (x) 5,00,00,000 Series B5 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 August 25, 2025, the Authorised Share Capital was increased from INR 4,85,70,00,000 to INR 4,87,70,00,000 by adding 20,00,000 Series B3 CCPS of face value of INR 10/- each.

AVANTI FINANCE PRIVATE LIMITED

- Pursuant to the approval of the shareholders at the Extraordinary General Meeting held on October 23, 2025, the Authorised Share Capital was increased from INR 4,87,70,00,000 to INR 5,62,70,00,000 by adding 7,50,00,000 Series B4 CCPS of face value of INR 10/- each.
- Pursuant to the approval of the shareholders at the Extraordinary General Meeting held on March 28, 2026, the Authorised Share Capital was increased from INR 5,62,70,00,000 to INR 6,12,70,00,000 by adding 5,00,00,000 Series B5 CCPS of face value of INR 10/- each.

Paid-up share capital:

As on March 31, 2026, the Paid-up share capital of the Company was INR 5,97,43,69,480 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
- (ix) 6,69,40,002 Series B3 CCPS of face value of INR 10/- each,
- (x) 7,50,00,000 Series B4 CCPS of face value of INR 10/- each, and
- (xi) 5,00,00,000 Series B5 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
August 28, 2025	Mr. Kewal Krishan Nohria	20,00,000 Series B3 CCPS of face value of INR 10/- each
October 27, 2025	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	7,50,00,000 Series B4 CCPS of face value of INR 10/- each
March 30, 2026	NRJN Family Trust represented by Entrust Family Office Legal & Trusteeship Services Private Limited	5,00,00,000 Series B5 CCPS of face value of INR 10/- each

LISTING OF NON CONVERTIBLE DEBENTURES ON BOMBAY STOCK EXCHANGE ('BSE')

The Non-Convertible Debentures ('NCDs') as issued by the Company on private placement basis are listed on BSE Limited. Accordingly, the Company is a debt listed company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

As on March 31, 2026, the following NCDs issued by the Company on a private placement basis and listed on BSE, had remained outstanding:

ISIN	Date of Allotment	Number of Debentures	Issue Price	Coupon Rate (%)	Maturity Date	Amount of Debentures (INR)
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INE0BNQ07113	September 30, 2024 and August 12, 2025	4000	1,00,000	10.90	September 30, 2026	40,00,00,000
INE0BNQ07121	December 27, 2024	5000	1,00,000	10.90	December 27, 2026	50,00,00,000
INE0BNQ07139	July 29, 2025	2500	1,00,000	10.90	July 30, 2026	25,00,00,000
INE0BNQ07147	September 01, 2025	1270	1,00,000	12.90	March 31, 2027	12,70,00,000
INE0BNQ07154	December 26, 2025	2500	1,00,000	11.15	June 30, 2027	25,00,00,000

The proceeds received from the above issuances have been deployed in accordance with the terms of the respective transaction documents of the NCDs and all regulatory and disclosure requirements have been duly complied with.

Further, during the year under review, the interest, including step-up, if any, and/ or principal, as applicable, on the above mentioned NCDs was paid by the Company within their respective due dates and there were no instances of any delay in payment of such interest and/or principal amount.

CAPITAL ADEQUACY

The Company continues to maintain a healthy capital adequacy ratio of 33.17% as at March 31, 2026 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:

- Ms. Roopa Satish (DIN: 07943586) was appointed as a Nominee director representing Oikocredit Ecumenical Development Cooperative Society U.A. with effect from April 30, 2025.
- Mr. Subramaniam Somasundaram (DIN: 01494407) was reappointed as an Independent Director of the Company for a second term of 3 years, with effect from July 12, 2025.
- Ms. Sukanya Kripalu (DIN: 06994202) was reappointed as an Independent Director of the Company for a second term of 3 years, with effect from July 12, 2025.

Accordingly, as on March 31, 2026, the Board of Directors of your Company comprised of 8 Directors namely:

- (i) Dr. Vijay Laxman Kelkar (DIN: 00011991),
- (ii) Mr. Nandan Mohan Nilekani (DIN:00041245),
- (iii) Mr. Subramaniam Somasundaram (DIN: 01494407)
- (iv) Ms. Sukanya Kripalu (DIN: 06994202)
- (v) Ms. Bindu Ananth (DIN: 02456029),
- (vi) Mr. Jeroen Meerburg (DIN: 10684231),
- (vii) Mr. Rahul Gupta (DIN: 09247626), and
- (viii) Ms. Roopa Satish (DIN: 07943586).

Demise of Chief Risk Officer and Chief Information Security Officer

The Company deeply regrets the sad demise of Mr. Nagaraj Subrahmanya, Chief Risk Officer and Chief Information Security Officer of the Company on March 26, 2026. The Company acknowledges his valuable contributions during his tenure, particularly towards strengthening the risk management framework, institutionalising robust information security practices and reinforcing the overall IT governance framework of the Company.

Appointment of Chief Risk Officer

Further, the Board has approved the appointment of Mr. Antony Cherian as the new Chief Risk Officer of the Company for a period of 3 (three) consecutive years with effect from May 10, 2026. Mr. Antony Cherian possesses the requisite skills, experience and expertise to effectively lead and strengthen the risk management function of the Company.

STATEMENT ON DECLARATION BY AN INDEPENDENT DIRECTOR(S):

The Company had received declaration from all the Independent Directors ('IDs'), to be placed at the first board meeting of the Company for FY 2026-27, 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 2025-26, 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 30, 2025	8	8	100
ii.	May 27, 2025	8	5	62.5
iii.	August 13, 2025	8	7	87.5
iv.	October 16, 2025	8	4	50
v.	November 11, 2025	8	7	87.5
vi.	February 14, 2026	8	5	62.5
vii.	March 13, 2026	8	8	100
viii.	March 28, 2026	8	3	37.5

Details of Committee Meetings held during FY 2025-26:

Sr. No.	Name of the Committee	Date(s) of Meeting	Total Meetings
i.	Audit Committee	April 28, 2025	8
		May 27, 2025	
		August 13, 2025	
		September 17, 2025	
		November 11, 2025	
		December 15, 2025	
		February 14, 2026	
		March 02, 2026	
ii.	Risk Management Committee	June 28, 2025	5
		July 11, 2025	
		October 27, 2025	
		December 15, 2025	
		February 16, 2026	
iii.	Nomination and Remuneration Committee	August 18, 2025	2
		November 19, 2025	
iv.	IT Strategy Committee	June 20, 2025	4
		September 30, 2025	
		December 16, 2025	
		March 31, 2026	
v.	Finance Committee	June 12, 2025	12
		June 30, 2025	
		August 06, 2025	
		August 09, 2025	
		September 19, 2025	
		September 26, 2025	
		November 28, 2025	
		December 11, 2025	
		December 27, 2025	
		December 29, 2025	
		December 31, 2025	
		January 29, 2026	

AVANTI FINANCE PRIVATE LIMITED

vi.	Committee of the Executives (as per Master Directions on Fraud Risk Management in Non-Banking Financial Companies)	April 17, 2025	5
		May 21, 2025	
		June 26, 2025	
		September 30, 2025	
		February 10, 2026	

Note: The details provided in the above table include only the statutory committees constituted by the Company in accordance with the applicable regulatory requirements from time to time.

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 26, 2025 (Y/N)
		No. of Meetings which director was entitled to attend	No. of Meeting attended	% of attendance	No. of Meetings which director was entitled to attend	No. of Meeting attended	% of attendance	
1.	Dr. Vijay Laxman Kelkar	8	3	37.5	8	3	37.5	N
2.	Mr. Nandan Mohan Nilekani	8	4	50	NA.	NA	NA	N
3.	Ms. Bindu Ananth	8	6	75	7	7	100	N
4.	Ms. Sukanya Kripalu***	8	8	100	15	15	100	N
5.	Mr. Subramaniam Somasundaram **	8	7	87.5	31	24	77.42	N
6.	Mr. Rahul Gupta	8	8	100	26	22	84.61	N
7.	Ms. Roopa Satish*	8	5	62.5	10	9	90	N
8.	Mr. Jeroen Meerburg	8	6	75	4	2	50	N

* Ms. Roopa Satish was appointed as a Nominee Director on the Board w.e.f April 30, 2025.

** Mr. Subramaniam Somasundaram was reappointed as an Independent Director of the Company for a second term of 3 years w.e.f July 12, 2025.

*** Ms. Sukanya Kripalu was reappointed as an Independent Director of the Company for a second term of 3 years w.e.f July 12, 2025

The 9th Annual General Meeting of the Company was held on September 26, 2025.

PARTICULARS OF EMPLOYEES:

During the year under review, your Company had 155 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.

Number of employees as on the closure of financial year (March 31, 2026)

Female	24
Male	131
Transgender	0

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.

As part of the Company's continued commitment to fostering a safe, respectful, and inclusive workplace, employees were encouraged to recommit to these values during the financial year (FY 25-26).

In line with this initiative, all employees were required to complete mandatory training on Prevention of Sexual Harassment (POSH). The training was conducted by XLPro Training Solutions Private Limited and was designed to enhance awareness and understanding of:

- What constitutes sexual harassment
- Rights and responsibilities under the POSH Policy
- The complaint and redressal mechanism
- The role of employees in building and sustaining a respectful workplace

This initiative reflects the Company's proactive approach towards ensuring a secure and inclusive work environment for all 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.

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

Number of sexual harassment complaints received during the year: 0

Number of complaints disposed of during the year: 0

Number of complaints pending for more than 90 days: 0

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company confirms that during the financial year ended March 31 2026, it has complied with the applicable provisions of the Maternity Benefit Act, 1961 and rules made thereunder. The Company has in place policies and processes relating to maternity leave, nursing breaks and other statutory benefits mentioned therein.

RISK MANAGEMENT

Stress in the Microfinance Industry continued during the first half of the year which was primarily from assets originated in the previous year, this back book impact was also visible in the Company's performance. Gross NPA improved and ended the year at 3.69%. The Company also recorded a credit loss of INR 114.5 crores. The performance of the Company has been similar with the industry during this period however the liquidity challenges has curbed the ability of the Company to increase its AUM. The Company maintained its strategic focus on fortifying risk management and collections capabilities during the year. These enhancements enabled effective containment and management of elevated delinquency levels.

The Company has updated the Avanti technology platform and operational processes to ensure compliance with all applicable regulatory requirements. Independent Board committees continue to provide robust oversight of key functional areas through periodic reviews, maintaining strong governance and control assurance.

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 confirming 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 2025-26 as mentioned in Chapter III (Disclosure in Financial Statements - Notes to Accounts) Regulation C.2 (7) of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, forms part of the Annual Report as **Annexure V**. The Corporate Governance Report contains the governance framework, Board and committee composition, meetings and other disclosures applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management discussion and analysis report for the financial year 2025-26 as mentioned in Chapter III (Disclosure in Financial Statements - Notes to Accounts) Regulation C.2 (7)(vii) of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, 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, 2026, 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.	The Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, however, 4 events which were required to be entered in the Structural Digital Database ('SDD') in accordance with Regulation 3(5) and 3(6) were belatedly entered and the delay in recording of the events were duly reported in SDD Compliance Report submitted to the Stock Exchange on 11th November, 2025.	Status: Closed The delays in recording the aforesaid events in the Structural Digital Database ('SDD') were identified and rectified promptly upon discovery. The management has also reviewed and strengthened the internal processes and monitoring mechanisms relating to timely updation of the SDD to avoid recurrence of such instances and to ensure continued compliance with the applicable regulatory requirements.

FRAUD REPORTING: FRAUD COMMITTED AGAINST THE COMPANY

The Company continues to operate under its Fraud Risk Management Policy adopted pursuant to the RBI Master Directions on Fraud Risk Management for NBFCs ("Master Directions"). The Company has established appropriate standard operating procedures and internal control mechanisms, which are being diligently followed to ensure effective fraud risk management and regulatory compliance.

During FY 2025–26, the Company has further strengthened its fraud risk management framework by enhancing its Early Warning Systems (EWS) to enable proactive identification of potentially fraudulent activities. The EWS framework has been augmented through improved data analytics, rule-based triggers, and increased automation across monitoring processes, resulting in more timely detection and escalation of suspicious transactions.

The Company is diligently adhering to the all the processes outlined in the Master Directions, including:

- Identification and classification of frauds,
- Issuance of show cause notices and passing of reasoned orders, and
- Timely submission of Fraud Monitoring Reports (FMRs) to the Reserve Bank of India.

In addition, the Committee of Executives, constituted on September 26, 2024, continued to actively oversee fraud risk management during the year. The Committee periodically reviews and assesses the effectiveness of control mechanisms and drives implementation of corrective and preventive actions. The enhancements undertaken during the year have led to improved detection efficiency and strengthened overall governance in fraud risk management.

For further details on frauds reported during the year, kindly refer to Note 78 of the Audited Financial Statements of the Company for FY 2025-26.

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 2025-26. The Secretarial Audit Report for FY 2025-26 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, 2026 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, 2026, 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, 2026 and of the loss of the Company for year ended on that date;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

There are no frauds reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013. The Company has identified certain channel partners and staff of the Company who have allegedly misappropriated disbursements and/or collections aggregating to INR 129.08 lakhs and INR 42.44 lakhs, respectively in FY 2025-26.

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.

AVANTI FINANCE PRIVATE LIMITED

On behalf of Board of Directors

Avanti Finance Private Limited

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 18, 2026

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 18, 2026

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
SI No.	1
CIN	U65929KA2016PTC138292
Name of the Subsidiary	Avanti Microfinance Private Limited
Date since when subsidiary was acquired	03/09/2021
Provisions pursuant to which the company has become a subsidiary	Section 2(87)(ii)
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)	(3,004.01)
Total Assets (INR in lakhs)	959.17
Total Liabilities (INR in lakhs)	11.56
Investments	Nil
Turnover (INR in lakhs)	195.43
Profit before taxation (INR in lakhs)	70.32
Provision for taxation (INR in lakhs)	Nil
Profit after taxation (INR in lakhs)	70.32
Proposed dividend	Nil
% 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:

AVANTI FINANCE PRIVATE LIMITED

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 18, 2026

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 18, 2026

Place: Bengaluru

Annexure II to Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026

[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, 2026 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, 2026 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 (Debenture Trustees) Regulations, 1993;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
(Not applicable to the Company during the audit period);

- (e) 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);***
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ***(Not applicable to the Company during the audit period);***
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ***(Not applicable to the Company during the audit period);***
 - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (k) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ***(Not applicable to the Company during the audit period);*** and
 - (l) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
 - (m) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
6. All Rules, Regulations, Directions, Guidelines and Circulars issued by the Reserve Bank of India as are applicable to non-deposit taking Non-Banking Financial Companies with classification as an '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:***

The Company has complied with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, however, 4 events which were required to be entered in the Structural Digital Database ('SDD') in accordance with Regulation 3(5) and 3(6) were belatedly entered and the delay in recording of the events were duly reported in SDD Compliance Report submitted to the Stock Exchange on 11th November, 2025.

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 Chief Executive Officer ('CEO') and Chief Financial Officer ('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 audit period the Company has undertaken following events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

1. Approval of the Shareholders of the Company was obtained at the Extra-Ordinary General Meeting of the Company held on 12th June 2025 and subsequently in Extra-Ordinary General Meeting held on 23rd October, 2025 for adoption of revised Articles of Association in substitution of the existing Articles of Association of the Company;
2. The Authorised Share Capital of the Company has been increased to Rs. 6,12,70,00,000 (Rupees Six Hundred Twelve Crores Seventy Lakhs only);
3. The Company has issued and allotted 20,00,000 fully paid-up series B3 compulsorily convertible preference shares ("Series B3 CCPS") of Rs. 10 each on private placement basis;
4. The Company has issued and allotted 7,50,00,000 fully paid-up series B4 compulsorily convertible preference shares ("Series B4 CCPS") of Rs. 10 each on private placement basis;
5. The Company has issued and allotted 5,00,00,000 fully paid-up series B5 compulsorily convertible preference shares ("Series B5 CCPS") of Rs. 10 each on private placement basis;
6. The Company has allotted 7,770 fully paid, senior, secured, rated, listed, taxable, redeemable, non-convertible debentures ("NCDs") of Face value of Rs. 1,00,000/- each on private placement basis.

For RJSY & ASSOCIATES

Company Secretaries

Firm Registration No.: P2016MH057200

Rupal D. Jhaveri

FCS No.: 5441

Certificate of Practice No.: 4225

Peer Review Number: 5889/2024

ICSI UDIN: F005441H000342613

Place: Mumbai

Date: 12th May, 2026

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.

Place: Mumbai
Date: 12th May, 2026

For RJSY & ASSOCIATES
Company Secretaries
Firm Registration No.: P2016MH057200
Rupal D. Jhaveri
FCS No.: 5441
Certificate of Practice No.: 4225
Peer Review Number: 5889/2024
ICSI UDIN: F005441H000342613

Annexure III to Directors' Report**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT-GOINGS****A. CONSERVATION OF ENERGY**

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

B. TECHNOLOGY ABSORPTION

- 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- of absorption 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, 2026 (INR in lakhs)
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.	57.50 Lakhs

On behalf of Board of Directors
Avanti Finance Private Limited

Mr. Rahul Gupta
Director
DIN: 09247626
Date: May 18, 2026
Place: Bengaluru

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991
Date: May 18, 2026
Place: Bengaluru

Annexure IV to Directors' Report**DETAILS ABOUT 2020 AVANTI EMPLOYEE STOCK OPTION PLAN (2025-2026)**

Sr. No.	Particulars	Disclosure
1.	Options Granted	7,88,000
2.	Options Vested	1,22,47,954
3.	Options Exercised	0
4.	The total number of shares arising as a result of exercise of option	0
5.	Options Lapsed	95,85,431
6.	The Exercise Price	INR 10 and INR 13
7.	Variation of terms of options	Please see note below
8.	Money realized by exercise of options	0
9.	Total number of options in force	2,19,65,877
10.	Employee wise details of options granted to	
i.	Key managerial personnel – Ms. Urvashi Prafulla Bahirsheth, Company Secretary	None
ii.	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Mr. Sushil Thaker, CFO - 7,88,000
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

Note: Pursuant to the applicable provisions of the Companies Act, 2013, read with the rules made thereunder and the Employee Stock Option Scheme 2020 of the Company, the Board of Directors, at its meeting held on February 14, 2026 and the shareholders, vide approval dated February 23, 2026, approved the re-pricing of certain existing ESOP grants by revising the exercise price to INR 10 per option, as detailed below:

(i) 23,10,380 ESOPs granted in October 2023 at an exercise price of INR 28.71 per option to the identified senior management team of the Company;

(ii) 7,88,000 ESOPs granted to Mr. Sushil Thaker, CFO at an exercise price of INR 31.71 per option; and

(iii) 13,43,494 ESOPs granted in January 2025 to eligible employees of the Company (excluding senior management) at an exercise price of INR 31.71 per option.

AVANTI FINANCE PRIVATE LIMITED

On behalf of Board of Directors
Avanti Finance Private Limited

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 18, 2026

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 18, 2026

Place: Bengaluru

Annexure V - Corporate Governance Report

This report outlines compliance with the requirements of the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, 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	4	-
3	Ms. Bindu Ananth	September 30, 2021	Nominee Director	02456029	5	-
4	Ms. Sukanya Kripalu	July 13, 2022	Independent Director	06994202	8	-
5	Mr. Subramaniam Somasundaram	July 13, 2022	Independent Director	01494407	8	-
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	-
8	Ms. Roopa Satish	April 30, 2025	Nominee Director	07943586	3	-

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 30, 2025	8	8	100
2	May 27, 2025	8	5	62.5
3	August 13, 2025	8	7	87.5
4	October 16, 2025	8	4	50
5	November 11, 2025	8	7	87.5
6	February 14, 2026	8	5	62.5

7	March 13, 2026	8	8	100
8	March 28, 2026	8	3	37.5

C. Attendance of the Board of Directors

Sl. No.	Name of the Director	Number of Board Meetings			Whether attended last AGM held on September 26, 2025 (Yes/No/NA)
		Entitled	Attended	% of attendance	
1	Dr. Vijay Laxman Kelkar	8	3	37.5	No
2	Mr. Nandan Mohan Nilekani	8	4	50	No
3	Ms. Bindu Ananth	8	6	75	No
4	Ms. Sukanya Kripalu***	8	8	100	No
5	Mr. Subramaniam Somasundaram**	8	7	87.5	No
6	Mr. Rahul Gupta	8	8	100	No
7	Ms. Roopa Satish*	8	5	62.5	No
8	Mr. Jeroen Meerburg	8	6	75	No

* Ms. Roopa Satish was appointed as a Nominee Director on the Board w.e.f April 30, 2025.

** Mr. Subramaniam Somasundaram was reappointed as an Independent Director of the Company for a second term of 3 years w.e.f July 12, 2025.

*** Ms. Sukanya Kripalu was reappointed as an Independent Director of the Company for a second term of 3 years w.e.f July 12, 2025.

The 9th Annual General Meeting of the Company was held on September 26, 2025.

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 2025-26. 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	15.52	Nil
2	Mr. Subramaniam Somasundaram	Nil	20.92	Nil

The Company follows a transparent process for determining the remuneration of Independent Directors ("IDs"). Their remuneration is governed by the role assumed, active participation in strategic decision making and inputs to executive management, etc. Besides these, the Board also takes into consideration the external competitive environment, track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of IDs.

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/	Nature of change (resignation/ appointment)	Effective date
---------	----------------------	--	---	----------------

		Chairman/Promoter nominee/Independent)		
1	Ms. Roopa Satish	Nominee Director	Appointment	April 30, 2025
2	Mr. Subramaniam Somasundaram	Independent Director	Reappointment	July 12, 2025
3	Ms. Sukanya Kripalu	Independent Director	Reappointment	July 12, 2025

F. Committees of the Board and their composition

1. Audit Committee

As on March 31, 2026, the Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2025-26, the Audit Committee met 8 (Eight) times on April 28, 2025, May 27, 2025, August 13, 2025, September 17, 2025, November 11, 2025, December 15, 2025, February 14, 2026 and March 02, 2026. 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	8	8	-
2	Ms. Sukanya Kripalu	July 20, 2022	Member - Independent Director	8	8	-
3	Dr. Vijay Laxman Kelkar	July 20, 2022	Member - Non-executive Director	8	3	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, 2026, the Risk Management Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2025-26, the Risk Management Committee met 5 (Five) times on June 28, 2025, July 11, 2025, October 27, 2025, December 15, 2025 and February 16, 2026. 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	5	5	-
2	Ms. Sukanya Kripalu	September 30, 2022	Member - Independent Director	5	5	-
3	Mr. Subramaniam Somasundaram	September 30, 2022	Member - Independent Director	5	5	-
4	Mr. Rahul Gupta	September 30, 2022	Member – Executive Director and Chief Executive Officer	5	5	-

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, 2026, the Nomination and Remuneration Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2025-26, the Nomination and Remuneration Committee met 2 (Two) times on August 18, 2025 and November 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. Sukanya Kripalu	July 20, 2022	Chairperson - Independent Director	2	2	-
2	Mr. Subramaniam Somasundaram	July 20, 2022	Member - Independent Director	2	2	-
3	Ms. Bindu Ananth	July 20, 2022	Member – Nominee Director	2	2	-

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, 2026, the IT Strategy Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2025-26, the IT Strategy Committee met 4 (Four) times on June 20, 2025, September 30, 2025, December 16, 2025 and March 31, 2026. 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	2	-
2	Mr. Rahul Gupta	March 13, 2023	Member – Executive Director and Chief Executive Officer	4	4	-
3	Mr. Jeroen Meerburg	February 12, 2025	Member – Nominee Director	4	2	-
4	Mr. Manish Thakkar	March 13, 2023	Member – Chief Operating Officer	4	4	-
5	Mr. Nagaraj Subrahmanya*	March 13, 2023	Member – Chief Risk Officer	3	3	-
6	Mr. Sunil Kumar Tadepalli	March 13, 2023	Member – Chief of Partnerships and HR	4	4	-
7	Mr. Lalitesh Katragadda**	March 13, 2023	Member – Chief Product Officer	3	2	17,50,000
8	Mr. Swapnil Dixit***	February 02, 2026	Member – Chief Product Officer	1	1	-

* Mr. Nagaraj Subrahmanya ceased to be a member of the Committee pursuant to his demise on March 26, 2026.

** Mr. Lalitesh Katragadda, upon his resignation from the Company, ceased to be a member of the Committee as on December 31, 2025.

*** Mr. Swapnil Dixit was appointed as a member of the Committee w.e.f. February 02, 2026

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, 2026, the Finance Committee comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2025-26, the Finance Committee met 12 (Twelve) times on June 12, 2025, June 30, 2025, August 06, 2025, August 09, 2025, September 19, 2025, September 26, 2025, November 28, 2025, December 11, 2025, December 27, 2025, December 29, 2025, December 31, 2025 and January 29, 2026. 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	12	7	-
2	Mr. Rahul Gupta	May 27, 2024	Member – Executive Director and Chief Executive Officer	12	8	-
3	Mr. Manish Thakkar	May 27, 2024	Member – Chief Operating Officer	12	10	-
4	Mr. Nagaraj Subrahmanya*	May 27, 2024	Member – Chief Risk Officer	12	11	-
5	Ms. Roopa Satish*	October 16, 2025	Member – Nominee Director	10	9	-
6	Mr. Sushil Thaker**	October 16, 2025	Member – Chief Financial Officer	10	9	75,000

* Mr. Nagaraj Subrahmanya ceased to be a member of the Committee pursuant to his demise on March 26, 2026.

** Ms. Roopa Satish was appointed as a member of the Committee w.e.f. July 12, 2025.

*** Mr. Sushil Thaker was appointed as a member of the Committee w.e.f. July 12, 2025.

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

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

As on March 31, 2026, the Committee of the Executives comprises of members as stated below. The composition of the Committee is in conformity with the regulatory requirements.

During the financial year 2025-26, the Committee of the Executives met 5 (Five) times on April 17, 2025, May 21, 2025, June 26, 2025, September 30, 2025 and February 10, 2026. 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	5	5	-
2	Mr. Manish Thakkar	September 26, 2024	Member – Chief Operating Officer	5	5	-
3	Mr. Nagaraj Subrahmanya*	September 26, 2024	Member – Chief Risk Officer	5	5	-
4	Ms. Sharmila Kunguma**	September 26, 2024	Member – Chief Audit Officer	5	4	-
6	Ms. Urvashi Bahirsheth	September 26, 2024	Member – Company Secretary and Chief Compliance Officer	5	5	-

* Mr. Nagaraj Subrahmanya ceased to be a member of the Committee pursuant to his demise on March 26, 2026.

** Ms. Sharmila Kunguma, pursuant to her resignation from the Company, ceased to be a member of the Committee w.e.f. December 17, 2025, her last working day.

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 FMR-1 filing and update on FMR-3
- 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.

7. Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013, a company having more than 1,000 shareholders, debenture-holders or other security holders at any time during a financial year is required to constitute a Stakeholders Relationship Committee, chaired by a Non-Executive Director. In compliance with the above requirement, the Board of Directors approved the constitution of the Stakeholders Relationship Committee along with its terms of reference on February 14, 2026. Additionally, given the absence of any matter requiring its consideration, no meeting of the Committee was required to be convened up to March 31, 2026.

The details of composition of the Committee is 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	Ms. Roopa Satish	February 14, 2026	Chairperson – Nominee Director	0	0	-
2	Mr. Rahul Gupta	February 14, 2026	Member – Executive Director and Chief Executive Officer	0	0	-
3	Mr. Sushil Thaker	February 14, 2026	Member – Chief Financial Officer	0	0	75,000
4	Ms. Urvashi Bahirsheth	February 14, 2026	Member – Company Secretary and Chief Compliance Officer	0	0	-

Terms of reference:

- a) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/annual reports/statutory notices by the shareholders of the Company;
- e) Monitor and review any investor complaints received by the Company directly or through SEBI or SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary & Compliance officer and Registrar and Transfer Agent ("RTA") of the Company;
- f) Consult with other committees of the Board, if required, while discharging its responsibilities;
- g) Monitor and review the Company's performance in dealing with Stakeholder grievances, on an annual basis;
- h) Review and re-assess the adequacy of this document periodically and recommend any proposed changes to the Board for approval.

Note: In accordance with applicable provisions of Companies Act, 2013, 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 2025-26, 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	June 12, 2025 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.

2	EGM	August 25, 2025 via video conference	1. To approve execution and performance of the Series B3 securities subscription agreement, first amendment to 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 Offer Letter'); (c) authorize the Directors to issue and execute the Offer Letter.
3	9 th AGM	September 26, 2025 via video conference	1. To approve re-appointment of Mr. Subramaniam Somasundaram (DIN: 01494407) as an Independent Director of the Company. 2. To approve re-appointment of Ms. Sukanya Kripalu (DIN: 06994202) as an Independent Director of the Company.
4	EGM	October 23, 2025 via video conference	1. To approve the amendment of the memorandum of association of the Company 2. To approve execution and performance of the Series B4 securities subscription agreement, restated shareholders' agreement and other transaction documents. 3. To: (a) approve the issuance of Series B4 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B4 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B4 Offer Letter'); (c) authorize the Directors to issue and execute the Offer Letter. 4. To approve the adoption of the Revised Articles of Association, in substitution, in full, of the existing Articles of Company.
5	EGM	February 23, 2026 via video conference	1. To ratify the execution and performance of the Warrant subscription agreement and other transaction documents, if any. 2. To: (a) approve the issuance of Share Warrants in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Share Warrant (in Form PAS-4) in accordance with the Companies Act, 2013 ('Share Warrant Offer Letter');

			(c) authorize the Directors to issue and execute the Offer Letter. 3. To approve the re-pricing of existing ESOP grants.
6	EGM	March 28, 2026 via video conference	1. To approve execution and performance of the Series B5 securities subscription agreement and other transaction documents 2. To: (a) approve the issuance of Series B5 Subscription Securities in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Series B5 CCPS (in Form PAS-4) in accordance with the Companies Act, 2013 ('Series B5 Offer Letter'); (c) authorize the Directors to issue and execute the Offer Letter. 3. To revoke the earlier offer for issue of Share Warrants to UTI Alternatives Private Limited. 4. To: (a) approve the issuance of Share Warrants to UTI Alternatives Private Limited in accordance with applicable law; (b) approve the draft of the private placement offer cum application letter for issuance of Share Warrant (in Form PAS-4) in accordance with the Companies Act, 2013 ('Share Warrant Offer Letter'); (c) authorize the Directors to issue and execute the Offer Letter.

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

1. Fine related to Borrower complaint

Nature of complaint	Category of borrower	Compensation Paid	Payment date
Bureau Related	Urban Underserved	2800	May 21, 2025
Bureau Related	Retail	1700	September 24, 2025
Bureau Related	Retail	2500	December 2, 2025
Bureau Related	Retail	5100	October 15, 2025
Bureau Related	Urban Underserved	2600	June 16, 2025
Bureau Related	Retail	2200	December 30, 2025
Bureau Related	Urban Underserved	3800	February 19, 2026

2. Fine related to delayed intimations under SEBI / BSE requirements

Certain fines were paid by the Company pursuant to inadvertent delays in intimations required to be made under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and applicable BSE guidance. The details of the fines paid are as below:

Sr. No.	Particular	Regulation	Amount	Payment date
1	Delayed prior intimation of board meeting	Reg 50(1) of LODR	5,900	September 18, 2025
2	Delayed intimation of record date	Reg 60(2) of LODR	11,800	October 04, 2025
3	Delayed prior intimation of board meeting in XBRL mode	Reg 50(1) of LODR read with BSE notice no. 20251121-72 dated November 21, 2025	5,900	March 18, 2026

Apart from the above fines, there were no other fines/penalties paid by the Company during the year 2025-26.

J. Breach of Covenants

As on 31.03.2026, the following breaches occurred in accordance with the debt transactions documents. The details are as below:

Non-convertible Debentures ("NCD")	Financial Covenant	Current status	Corrective Actions
Listed NCD ISIN: INE0BNQ07113	Maintain minimum tangible net worth of 225 crores	181	The Company has received a waiver in respect of the said covenant breach from the Debenture Trustee vide email dated August 12, 2025
Unlisted NCD ISIN: INE0BNQ07105	Ensure that the credit rating of the company issued / provided by the Rating Agency is not downgraded below "BBB+"	BBB	The Company duly informed the stock exchange and Debenture Trustee of this rating downgrade through its letter dated September 22, 2025. No Event of default has been triggered by the Debenture Trustee. As per the terms of agreement, the Company is paying a step up interest rate of 0.25% to the NCD holders

K. Divergence in Asset Classification and Provisioning

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

L. Expected Credit Loss ("ECL") Provisioning

The Company has maintained Expected Credit Loss ("ECL") provisions on loans as at March 31, 2026 and March 31, 2025 in accordance with Ind AS 109. The ECL provisions maintained for all asset classes, including standard, sub-standard, doubtful and loss assets, are higher than the provisions required under the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time.

AVANTI FINANCE PRIVATE LIMITED

On behalf of Board of Directors

Avanti Finance Private Limited

Mr. Rahul Gupta

Director

DIN: 09247626

Date: May 18, 2026

Place: Bengaluru

Dr. Vijay Laxman Kelkar

Director

DIN: 00011991

Date: May 18, 2026

Place: Bengaluru

Annexure VI - Management Discussion and Analysis**i) Industry structure and developments**

FY 2025-26 marked the beginning of a long-awaited stabilisation phase for India's rural lending and microfinance sector. After a challenging FY 2024-25, the industry demonstrated its characteristic resilience, collection efficiency recovered to over 98% during the year, disbursement momentum began rebuilding, and asset quality metrics started improving across most geographies. The industry's total portfolio outstanding stood at INR 2.90 lakh crore as of September 2025, with the sector still in consolidation mode and portfolio volumes down 22% year-on-year. The sector's self-corrective response was tighter underwriting, borrower-level indebtedness caps, and a shift to monthly repayment cycles which laid the groundwork for a more disciplined and durable growth model. Banks pulled back sharply from the segment while NBFC-MFIs held their ground, gradually reasserting their role as the backbone of microfinance outreach.

The year also brought meaningful structural change. SRO's tightened guardrails capped borrower indebtedness and limited active lenders per borrower which started showing results in credit discipline. The RBI's accommodative actions, including risk weight relief on MFI loans and successive rate cuts, eased funding conditions. The Union Budget added further support through enhanced credit guarantee mechanisms and a deepening of the SHG-bank linkage programme. By year-end, the broad consensus was that the sector had reached an inflection point and stress recognition was largely behind it, asset quality had bottomed out, and a gradual, more disciplined recovery was firmly underway.

ii) Opportunities and threats

Even as Avanti's AUM moderated in line with the broader sectoral contraction, the business made meaningful strides that strengthened its foundation for the recovery ahead. Co-lending emerged as a significant strategic milestone. With State Bank of India (SBI) and Credit Saison (KSF) as partners, co-lending scaled to 35% of all disbursements, with off-balance sheet AUM accounting for 34% of total AUM bringing institutional capital directly to underserved households at scale. To make this viable at scale, Avanti built full automation directly into its core platform architecture which included running tranche disbursals, repayment splits, and partner reconciliation across 18 external integrations with zero manual intervention and 97% uptime on India-hosted cloud infrastructure. On financial inclusion, Avanti brought 280,000 households with no prior credit history into the formal financial system, 94% of its borrowers belong to Economically Weaker Sections, and over 50%+ return for a second loan. The business also maintained collection efficiency at 98.7%, grew digital collections further, and served 170686 active borrowers demonstrating that Avanti's model holds up even in a stressed environment.

Geographic concentration and borrower over-indebtedness remain the two risks Avanti watches most closely. A stress event in a single state can move portfolio quality quickly, as seen in FY 2024-25. While SRO's guardrails have introduced real discipline, enforcement still depends on bureau data quality and field rigour. The current geopolitical situation may also result in lower income for the rural customers which may result in heightened risk on the portfolio. Over the medium term, fintechs and larger lenders pushing into rural credit could pressure yields, and a weak monsoon or adverse regulatory shift remains a tail risk that could slow the pace of recovery.

iii) Segment-wise performance

(INR crores)

Segment	Disbursement in FY 26	AUM in FY 26	30+ DPD	90+ DPD
Retail	719.1	863.93	51.23	30.06
Institutional	26.03	31.48	3.35	0
Total	745.13	895.41	54.58	30.06

Product wise performance

(INR crores)

Product	Disbursement in FY 26	AUM in FY 26	30+ DPD	90+ DPD
Ecosystem	7.94	8.72	3.26	3.26
Earned Wage Access	0.00	5.86	0.19	0.03
Home Improvement Loans	5.87	6.55	0.55	0.32
Individual Business Loans	34.23	39.83	1.73	0.45
Livelihood/Others	588.41	691.81	36.36	20.45
Micro Enterprise Loan/Micro, Small, and Medium Enterprises(MSME)	82.64	97.80	8.57	5.35
Michael & Susan Dell Foundation (MSDF)	0.00	0.21	0.02	0.02
Short Term Personal Loans	0.00	13.15	0.51	0.16
Institutional	26.03	31.48	3.35	0
Total	745.13	895.41	54.58	30.06

iv) Outlook

Despite a challenging year for the sector, Avanti closes FY 2025-26 with its operating model intact and foundations stronger. The investments made in platform automation, co-lending infrastructure, and responsible credit delivery have positioned Avanti well for the recovery that is now underway across the industry. As we move into FY 2026-27, our focus remains on scaling our inclusive credit model across deeper geographies, growing our co-lending partnerships, and continuing to build multi-product depth across MSME, IBL, EWA, and STPL. With collection efficiency holding strong, a growing digital footprint, and institutional partners like SBI, KSF, and Federal Bank backing our model, Avanti is well-placed to grow responsibly as rural credit demand rebounds. Our mission to bring underserved and unserved households into the formal financial system remains unchanged, and the opportunity ahead to do that at scale has never been greater.

v) Risks and concerns

Avanti approaches risk management as a continuous discipline, not a periodic exercise. Our individual borrower assessment model provides a more granular view of each household's repayment capacity than group-based lending structures typically allow and this has been a meaningful differentiator in a year when credit stress was widespread. FY 2025-26 also offered a valuable opportunity to sharpen our frameworks further. We refined our partner assessment and monitoring processes, tightened geographic concentration limits, and advanced our work on alternative data sources including transaction behaviour and regional digital footprints to complement our existing underwriting and early warning models.

Liquidity, regulatory, and IT risks remain areas of active and structured oversight. Our Asset Liability Management Committee conducts regular stress testing and ensures liquidity buffers remain well within RBI prudential norms. The internal compliance team monitors regulatory developments on an ongoing basis, supported by technology infrastructure that enables rapid process adjustments as guidelines evolve. On IT security, we conduct annual audits and penetration testing of our platform and mobile application, alongside periodic cybersecurity training for all employees. With a fully automated co-lending infrastructure and 992583 borrowers on the platform, maintaining data integrity and system resilience remains a standing priority for the organisation.

	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.

vi) Internal control systems and their adequacy

We have adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

- orderly and efficient conduct of business,
- adherence to the Group's policies and procedures,
- safeguarding of all our assets against loss from unauthorised use or disposal,
- prevention and detection of frauds and errors,
- accuracy and completeness of accounting records,
- timely preparation of reliable financial information; and
- compliance with applicable laws and regulations.

Adherence to these processes is ensured through frequent internal audits. Internal Audit plays a very critical role in upholding integrity, efficiency and compliance across all the business units of the organisation. While we have an Internal Audit Team within the Company, we have also appointed an independent internal audit firm (co-sourced internal auditor) to assess and improve the effectiveness of risk management, control, operations and processes. To ensure independence, the Internal Audit function has a reporting line to the Audit Committee of the Board. The Audit Committee meets every quarter to evaluate the performance of the Internal Audit function, review the effectiveness of internal controls and

ensure compliance with applicable regulatory requirements. The Internal Audit team, in turn, provides an independent assurance to the Audit Committee and the Board on the robustness of the Company's internal control framework and governance processes.

Pursuant to the requirement of the Companies Act, 2013, the Company also conducts secretarial audit by a Practicing Company Secretary every year. The Secretarial Audit Report for the financial year ended on March 31, 2026 does not contain any qualifications, reservations or adverse remarks or disclaimers except an observation, which has been appropriately addressed by the Management and the necessary corrective actions have been undertaken by the Company. Further, the Company has put in place internal financial controls commensurate with its size and nature of operations, with the objective of ensuring accuracy of accounting records and compliance with applicable laws and regulations. During the financial year ended March 31, 2026, the Internal Audit function verified the existence of these controls as per the Risk and Control Matrix (RCM) prepared by the Finance function. Based on this exercise, the internal financial controls of the Company are considered to be broadly adequate as at March 31, 2026. The Company remains committed to periodically reviewing its control environment in line with its growth and regulatory expectations.

Avanti's cybersecurity governance is built on a structured audit framework, regular testing, and board-level oversight.

Audits Conducted (FY 2025-26)

Audit	Outcome
ISO Surveillance Audit	No gaps identified
Information Systems (IS) Audit	No major gaps identified
IT Outsourcing Audit	No major gaps identified
Digital Lending Audit	Compliant with RBI guidelines
VAPT (Bi-annual) — Web & Mobile	No critical/high findings; few medium/low observations under closure

Partner Due Diligence Co-lending partners (SBI, Credit Saison, Vivriti Capital) conduct periodic security assessments all returned satisfactory outcomes in FY 2025-26.

Disaster Recovery & Business Continuity Bi-annual DR drills validate RTO/RPO targets. Regular information security training is conducted for all employees.

Governance All audit findings are reported to the IT Strategy Committee chaired by the Independent Director.

vii) Discussion on financial performance with respect to operational performance.

- Fresh Equity raised in FY 2025-26 at INR 127 Crores.
- Net Interest Income reduced by 40% year on year to INR 92 Crores.
- Loss stood at INR 166 Crores for FY 2025-26 vs 122 Crores for FY 2024-25.
- Capital Adequacy Ratio at 33.17% in Mar-26 vs 26.72% in Mar-25.
- Net NPA has increased to 1.24% vs 1.42% year on year, while the Provision Coverage Ratio stood at 67.50% for 31 March 2026.
- Debt to Equity stood at 1.70 times as on 31 March 2026 vs 2.39 times as on 31 March 2025.

viii) Material developments in the Human Resource / Industrial Relations front, including the number of people employed.

	As of March 31, 2025	New Joiners During FY25-26	Exit Employees During FY25-26	As on March 31, 2026
Employee Details	167 Employees - 153 Management Trainees - 14	60 Employees - 56 Management Trainees - 4	72 Employees - 71 Management Trainees - 1	155 Employees - 152 Management Trainees - 3

During the year under review, there were no material developments in the Human Resources / Industrial Relations front. The Company continued to maintain cordial and harmonious employee relations across all levels of the organisation. The Company believes that its employees are its most valuable asset and continues to focus on employee engagement, capability building, performance management, learning & development, and strengthening HR processes.

The Company also continued to focus on employee well-being, workplace ethics, safety, and adherence to applicable labour laws and statutory compliance.

- Anyo is a holistic health and mental wellness platform, it is an app based and AI driven technology for employees and operates as a super app designed to support mental, emotional, and physical well-being through therapy, nutrition, lifestyle coaching, and corporate wellness. Anyo extends its services to organizations via B2B workplace wellness programs. These aim to boost employee well-being and reduce burnout by providing immersive, expert-led workshops, mental health support, and habit-building exercises
- Sponsorship for studies- During the year, Avanti Finance strengthened its Learning & Development initiatives by sponsoring employees for higher education programmes, leadership courses, certifications, and specialised trainings conducted by reputed institutions such as RBI, IIMs, ISB, IIT, McKinsey, Rabobank, and UNDP. The programmes focused on leadership, finance, risk management, data analytics, fintech, cybersecurity, and sustainable finance, supporting continuous employee development and capability building across the organisation.
- Avanti has associated with PNB Met Life for Group Term Cover. PNB MetLife Complete Care Plus is a non-linked, non-participating one year renewable Group Term Assurance Plan for a free cover limit of 10 Times Of CTC With Cap Of 1 Cr whichever is low for all Full-time and permanent employees of Avanti Finance Private Limited except leadership are covered under this. On the occurrence of the death of an Insured Member is when the Group Policy is in force.

On behalf of Board of Directors
Avanti Finance Private Limited

Mr. Rahul Gupta
Director
DIN: 09247626
Date: May 18, 2026
Place: Bengaluru

Dr. Vijay Laxman Kelkar
Director
DIN: 00011991
Date: May 18, 2026
Place: Bengaluru

SECTION THREE

Audit Reports and Financial Statements

Avanti Finance Private Limited
Standalone Financial Statements
for the year 2025-26

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, 2026, 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 policies 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, 2026 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 matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Expected credit losses on loan assets	

Key audit matter	How the matter was addressed in our audit
Refer note 3.4 of material accounting policies and note 7 for the outstanding loan assets and note 42 (i) of the Standalone Financial Statements for credit risk disclosures. As at 31 March 2026, the Company has reported gross loan assets of Rs. 55,291.13 lakhs against which an impairment loss of Rs. 2,942.88 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 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.	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; • 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.

Key audit matter	How the matter was addressed in our audit
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.	

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 actions 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.

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.
 - 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 specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls 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.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. 38;
 - 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;
 - (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, 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.
 3. 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.

For **VARMA & VARMA**

Chartered Accountants

FRN 004532S

K P Srinivas

Partner

Place: Bengaluru

M. No. 208520

Date: 18-05-2026

UDIN: 26208520ZSGAWC9555

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Avanti Finance Private Limited of even date)

Report on the Internal Financial Controls 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 over financial reporting of **Avanti Finance Private Limited** ("the Company") as at March 31, 2026 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 control with reference to financial statements included obtaining an understanding of internal financial control 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 over financial reporting

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 control with reference to financial statements

Because of the inherent limitations of internal financial control 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 control 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, 2026, 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

K P Srinivas
Partner
Place: Bengaluru
M. No. 208520
Date: 18-05-2026
UDIN: 26208520ZSGAWC9555

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. The Company has conducted physical verification of Property, plant and equipment of the Company during the year. According to the information and explanations given to us and based on our verification of the records of the Company, there were no material discrepancies noted on such verification when compared with the books of the Company.
 - c. The Company does not have any immovable 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, 2026 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, 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 principle 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, the terms and conditions of the grant of all loans and advances in the nature of loans, 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 if repayment of principal and payment of interest has been stipulated, and the repayments/ receipts of principal and interest are regular except for instance as disclosed in Note 7, is given below:

Particulars – Days past due	Total outstanding for overdue loans as at March 31,2026 (Rs. Lakhs)	Number of loan accounts
1 to 29 Days	1,189.82	10,501
30 to 59 Days	706.33	6,025
60 to 89 Days	977.49	5,121
90 Days or above	2,057.34	14,787

Having regard to the nature of business of the Company and volume of the transactions it is impractical to furnish 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)
14,775	977.43	227.62	1,205.05

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 principle 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 (as amended). 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 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, 2026 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, 2026, 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. The breaches of covenants during the year and its recourse by the Company on two NCDs are reported in Note No. 37 of the standalone financial statements.

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 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 share or has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year. All the frauds noticed or reported during the year has been summarised in Note No. 78 of the Standalone Financial Statements.

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.40 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 a Certificate of Registration (CoR) from the Reserve Bank of India, Bangalore as a Non-Banking Financial Company without accepting public deposits vide Certificate No. N-02.00338 dated August 13, 2021 (issued in lieu of earlier CoR No.N-13.02191 dated June 23, 2017 by RBI, Mumbai) 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 Reserve Bank of India (Core Investment Companies) Directions, 2025 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses amounting to Rs 12,713.56 Lakhs during the financial year covered by our audit and Rs. 6,275.03 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

K P Srinivas

Partner

Place: Bengaluru

M. No. 208520

Date: 18-05-2026

UDIN: 26208520ZSGAWC9555

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	10,100.72	22,510.45
Bank balance other than cash and cash equivalents	5	3,877.30	3,002.82
Receivables :	6		
i) Trade Receivables		1,485.90	1,008.44
ii) Other Receivables		160.62	376.76
Loans	7	52,348.25	79,195.53
Investments	8	8,227.15	3,951.61
Other financial assets	9	2,084.13	2,886.21
2 Non-financial assets			
Current tax assets	10	1,037.36	651.81
Property, plant and equipment	11	59.49	99.99
Right of use assets	12	83.58	144.54
Other intangible assets	13	3,356.85	4,440.03
Other non-financial assets	14	1,410.87	1,275.93
Total assets		84,232.22	1,19,544.12
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		12.31	72.18
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,525.99	1,377.03
Debt securities	16	20,130.16	31,261.11
Borrowings (other than debt securities)	17	30,250.37	48,517.84
Other financial liabilities	18	1,621.28	2,777.10
2 Non-financial liabilities			
Provisions	19	725.34	1,928.49
Other non-financial liabilities	20	336.96	256.94
Total liabilities		54,602.41	86,190.68

Avanti Finance Private Limited
CIN: U64920KA2016PTC138355
Standalone Balance Sheet as at March 31, 2026
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
3 Equity			
Equity share capital	21	15,090.72	15,090.72
Instruments entirely Equity in nature	21	47,152.98	34,452.98
Other equity	22	(32,613.89)	(16,190.26)
Total equity		29,629.81	33,353.44
Total liabilities and equity		84,232.22	1,19,544.12

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

Rahul Gupta
Director
DIN: 09247626

K.P. Srinivas
Partner
Membership No.208520

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Sushil Thaker
Chief Financial Officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
18-05-2026

Mumbai
18-05-2026

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
(i) Interest income	23	17,089.10	26,046.70
(ii) Fees and commission income	24	4,318.05	5,412.54
(iii) Net gain on fair value changes	25	274.68	501.82
(iv) Net gain on de-recognition of financial instruments	26	473.30	311.19
(v) Other operating income	27	4,290.07	6,677.66
(I) Total revenue from operations		26,445.20	38,949.91
(II) Other income	28	2.90	315.80
(III) Total income (I + II)		26,448.10	39,265.71
Expenses			
(i) Finance costs	29	7,931.45	10,782.05
(ii) Fee and commission expense	30	9,004.19	11,739.12
(iii) Impairment of financial instruments	31	14,525.48	17,633.70
(iv) Employee benefits expenses	32	3,982.20	4,313.68
(v) Depreciation and amortisation expenses	33	1,213.55	527.35
(vi) Other expenses	34	6,438.53	6,467.47
(IV) Total expenses		43,095.41	51,463.38
(V) Profit/(Loss) before exceptional items and tax (III - IV)		(16,647.31)	(12,197.67)
(VI) Exceptional items			-
(VII) Profit/(Loss) before tax (V - VI)		(16,647.31)	(12,197.67)
(VIII) Tax expense:			-
(1) Current tax		-	-
(2) Deferred tax		-	-
(IX) Profit/(Loss) for the year from continuing operations (VII - VIII)		(16,647.31)	(12,197.67)
(X) Profit/(Loss) for the year (IX)		(16,647.31)	(12,197.67)
(XI) Other comprehensive income/(Loss)			
(i) Items that will not be reclassified to profit or loss (reameasurement gain/(loss) of defined benefit plans)		77.07	(15.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		77.07	(15.59)
(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)		77.07	(15.59)
(XII) Total comprehensive income/(Loss) for the year (X + XI)		(16,570.24)	(12,213.26)
Basic (₹)		(11.03)	(8.08)
Diluted (₹)		(11.03)	(8.08)

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

Rahul Gupta

Director

DIN: 09247626

Bengaluru

18-05-2026

Bengaluru

18-05-2026

K.P. Srinivas

Partner

Membership No.208520

Bengaluru

18-05-2026

Sushil Thaker

Chief Financial Officer

Bengaluru

18-05-2026

Urvashi P. Bahirsheth

Company Secretary &CCO

ACS 37475

Mumbai

18-05-2026

Standalone Cash Flow Statement for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	(16,647.31)	(12,197.67)
Interest income on loans	(16,725.71)	(25,596.81)
Interest income on deposits	(359.76)	(443.00)
Depreciation and amortisation expenses	1,213.55	527.35
Impairment on financial instruments	9,455.44	14,053.44
Impairment on Investments and other financial assets	2,799.08	-
Loss allowance on financial guarantee	2,270.97	3,580.26
Finance costs	7,931.45	10,782.05
Net gain on fair value changes on investments	(274.68)	(501.82)
Share based payments to employees	(160.96)	471.79
Profit on sale of property, plant and equipment	(0.20)	-
	(10,498.13)	(9,324.39)
Operational cashflows from interest:		
Interest income on loans	16,725.71	25,596.81
Interest and charges paid on borrowings	(7,931.45)	(10,782.05)
	(1,703.87)	5,490.37
Movements in working capital:		
(Increase) / Decrease in Trade receivables	(474.70)	(733.29)
(Increase) / Decrease in Other receivables	217.17	24.39
(Increase) / Decrease in Loans	16,019.74	(289.54)
(Increase) / Decrease in Other financial assets	1,332.16	(1,973.93)
(Increase) / Decrease in Other non financial assets	(134.94)	(262.80)
Increase / (Decrease) in Trade and Other payables	89.09	(32.43)
Increase / (Decrease) in Other financial liabilities	(3,339.25)	(2,286.29)
Increase / (Decrease) in Other non financial liabilities	80.02	121.91
Increase / (Decrease) in Provisions	(756.00)	656.24
(Increase) / Decrease in Bank Balance other than cash and cash equivalents	(874.47)	615.33
Cash used in operations	10,454.95	1,329.96
Direct taxes paid (including tax deducted at source, net of refunds)	(385.55)	(420.82)
Net cash flows used in operating activities (A)	10,069.40	909.14
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)	(28.92)	(1,392.65)
Proceeds from sale of property, plant and equipment	0.20	-
Purchase of Security Receipts	(6,236.38)	-
Interest income on deposits	359.76	443.00
Purchase of Mutual Funds	(96,800.00)	(66,099.76)
Sale of Mutual Funds	97,074.68	66,601.58
Net cash flows used in investing activities (B)	(5,630.66)	(447.83)
C. Cash flow from financing activities		
Proceeds from issue of Equity shares	-	-
Proceeds from issue of instruments entirely in equity in nature (including securities premium) (Net of issue expenses)	12,637.49	16,942.48
Lease Payments	(87.55)	(68.90)
Proceeds from Debt securities	7,770.00	12,500.00
Repayment of Debt securities	(18,900.94)	(15,431.39)
Proceeds from borrowings other than debt securities	18,800.00	27,500.00
Repayment of borrowings other than debt securities	(37,067.47)	(40,030.69)
Net cash flows from financing activities (C)	(16,848.47)	1,411.50
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(12,409.73)	1,872.81
Cash and cash equivalents at the beginning of the year	22,510.45	20,637.64
Cash and cash equivalents at the end of the year	10,100.72	22,510.45

Avanti Finance Private Limited**CIN: U64920KA2016PTC138355****Standalone Cash Flow Statement for the year ended March 31, 2026**

(All amounts in ₹ Lakhs unless otherwise stated)

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Cash on hand	3.17	0.03
ii) Balances with banks (of the nature of cash and cash equivalents)	10,097.55	22,510.42
Total	10,100.72	22,510.45

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

Rahul Gupta

Director

DIN: 09247626

K.P. Srinivas

Partner

Membership No.208520

Bengaluru

18-05-2026

Bengaluru

18-05-2026

Bengaluru

18-05-2026

Sushil Thaker

Chief Financial Officer

Bengaluru

18-05-2026

Urvashi P. Bahirsheth

Company Secretary

ACS 37475

Mumbai

18-05-2026

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72
Changes in Equity share capital during the year	-	-	-	-
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
15,090.72	-	-	-	15,090.72

B. Instruments entirely equity in nature

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30
Changes during the year	12,70,00,000	12,700.00	9,94,06,800	9,940.68
As at the end of the year	47,15,29,755	47,152.98	34,45,29,755	34,452.98

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	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2025	-	17,689.50	-	423.02	-	(34,272.47)	(30.31)	(16,190.26)
Profit/(Loss) for the year	-	-	-	-	-	(16,647.31)	-	(16,647.31)
Other comprehensive income	-	-	-	-	-	-	77.07	77.07
Addition to ESOP Reserve	-	-	-	209.12	-	-	-	209.12
Issue of instruments entirely equity in nature (net of issue expenses)	-	(62.51)	-	-	-	-	-	(62.51)
Balance as at March 31, 2026	-	17,626.99	-	632.14	-	(50,919.78)	46.76	(32,613.89)

Avanti Finance Private Limited

CIN: U64920KA2016PTC138355

Standalone Statement of Changes in Equity for the year ended March 31, 2026

(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, 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	-	-	-	-	-	-	(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	-	17,689.50	-	423.02	-	(34,272.47)	(30.31)	(16,190.26)

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

18-05-2026

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Sushil Thaker

Chief Financial Officer

Bengaluru

18-05-2026

Urvashi P. Bahirsheth

Company Secretary

ACS 37475

Mumbai

18-05-2026

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”) (Certificate of Registration Number: N-02-00338) from dated August 13, 2021. The Registered office of the Company is located at # 2727, 2nd floor, 1st Main Road, HAL 3rd Stage, Ward no 58 (Old No. 83), New Thippasandra, Bangalore, Bangalore North, Karnataka, India, 560075.

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 Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025).

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 Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025).

The standalone financial statements were approved by the Company’s Board of Directors on May 18, 2026.

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, Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 . 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. 37 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 Stage 3 (NPA) assets is not accrued in the books of account.

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 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 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 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 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 (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. 43(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 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 and other receivables

The Company measures expected credit losses (ECL) on trade and other receivables at each reporting date in accordance with Ind AS 109. The methodology applied based on the nature of the receivable is below.

FLDG invoked and receivable:

ECL on receivables relating to First Loss Default Guarantee (FLDG) invoked is assessed using an internal multi-factor model. Each lending partner is assigned a ranking based on a weighted evaluation of financial strength, bureau score and vintage, with the provision rate varying with the ranking assigned. This base provision is further adjusted for the ageing of the outstanding, the recovery status of the receivable (including any disputes or payment arrangements), and the partner's recent payment behaviour. Historical trends of collection from counterparties on timely basis and availability of security from the counter parties reflects low level of credit risk. Considering above factors and after considering the Cash collateral / Fixed deposit as collateral covering the outstanding, the ECL is computed.

Other receivables:

For other receivables, including trade receivables, ECL is computed using a provision matrix that combines the ageing of the receivable with a credit quality overlay derived from the counterparty's external credit rating (CRISIL, ICRA, CARE or India Ratings) or, where no public rating is available, from an internal scoring assessment. The provision rate increases with the period of overdue, reflecting the higher probability of default over time. Receivables meeting the criteria for Significant Increase in Credit Risk (SICR) are subject to lifetime ECL, and amounts outstanding beyond one year are considered for write-off.

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 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.

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 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 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 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.

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements: The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants and shall be applicable w.e.f. April 1, 2025.

In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates and shall be applicable w.e.f. April 1, 2025. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed and evaluated the amendments made in Ind AS 7 and Ind AS 107. Since the company does not have any supplier finance arrangements, the company has determined that it does not have any impact in its financial statements.
3. Ind AS 12, Amendment relates to International Tax Reform Pillar Two Model Rules and shall be applicable immediately. The company has evaluated the amendment and determined that it does not have any impact in its financial statements.

4 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	3.17	0.03
Balances with banks and financial institutions		
- Balance with banks in current accounts	4,936.41	6,923.05
- Deposit with banks original maturity less than 3 months	5,161.14	15,587.37
Total	10,100.72	22,510.45

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Deposits for maturity of more than 3 months and upto 12 months	1,178.46	871.10
Other Bank Balances*	2,698.83	2,131.72
Total	3,877.30	3,002.82

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

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans	432.26	-
Security against first loss default guarantee	2,266.57	2,131.72
Total	2,698.83	2,131.72

6 Receivables (at amortised cost)**(I) Trade receivables**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good-secured	-	-
Trade receivables considered good- unsecured	1,488.66	1,008.44
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	1,488.66	1,008.44
Less: Impairment loss allowance	(2.76)	-
Total	1,485.90	1,008.44

(II) Other receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	161.65	376.76
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Total	161.65	376.76
Less: Impairment loss allowance	(1.03)	-
Total	160.62	376.76

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, 2026						
	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	437.78	1,050.88	-	-	-	-	1,488.66
(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, 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	-	-	-	-	-	-	-

7 Loans (Amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Term loans	52,111.23	83,229.17
ii) Working Capital Loans	3,179.91	1,259.09
Total (A) - Gross	55,291.13	84,488.27
Less : Impairment loss allowance	(2,942.88)	(5,292.74)
Total (A) - Net	52,348.25	79,195.53
Secured by Fixed Deposit/Cash	-	-
Unsecured	55,291.13	84,488.27
Total (A) - Gross	55,291.13	84,488.27
Less : Impairment loss allowance	(2,942.88)	(5,292.74)
Total (A) - Net	52,348.25	79,195.53
Loans in India		
Public sector	-	-
Others	55,291.13	84,488.27
Total - Gross	55,291.13	84,488.27
Less : Impairment loss allowance	(2,942.88)	(5,292.74)
Total - Net	52,348.25	79,195.53

Notes

- 1.The Company has not provided any loans with Gold and silver as collateral during the year ended March 31, 2026 and March 31, 2025.
- 2.The Company doesn't have any Gold and silver collaterals during the year ended March 31, 2026 and March 31, 2025.
3. The Company has not conducted any auctions on Gold/Silver during the year ended March 31, 2026 and March 31, 2025.
4. Loans outstanding as at March 31, 2026 and March 31, 2025 are unsecured. The Company has not granted any secured loans during the year ended March 31, 2026 and March 31, 2025.

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, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade - No over due	50,386.93	-	-	50,386.93	72,509.73	-	-	72,509.73
Standard grade - DPD 1 to 29	1,178.90	-	-	1,178.90	3,672.49	-	-	3,672.49
Standard grade - DPD 30 to 59	-	699.87	-	699.87	-	2,335.42	-	2,335.42
Standard grade - DPD 60 to 89	-	968.09	-	968.09	-	1,960.50	-	1,960.50
Non- performing								
Sub-standard grade- DPD >= 90*	-	-	2,057.34	2,057.34	-	-	4,010.13	4,010.13
Total	51,565.83	1,667.95	2,057.34	55,291.13	76,182.22	4,295.92	4,010.13	84,488.27

* 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, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening 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*	63,963.46	82.40	144.73	64,190.59	63,339.98	-	-	63,339.98
Movement between stages				-				-
Transferring from Stage 1	(11,301.82)	9,857.97	1,443.85	-	(5,685.99)	2,202.09	3,483.89	-
Transferring from Stage 2	4.46	(8,283.46)	8,279.00	-	3.13	(23.35)	20.22	-
Transferring from Stage 3	0.09	0.02	(0.11)	-	0.49	0.37	(0.86)	-
Assets repaid, derecognized and written off	(77,282.58)	(4,284.89)	(11,820.25)	(93,387.72)	(73,712.93)	(203.75)	(1,676.16)	(75,592.84)
Gross carrying amount- closing balance	51,565.83	1,667.95	2,057.35	55,291.14	76,182.22	4,295.92	4,010.13	84,488.27

* 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.

7 Loans (contd.)

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	806.76	1,634.28	2,851.71	5,292.74	1,796.44	848.28	1,136.98	3,781.69
New assets originated	360.67	37.89	97.71	496.27	867.46	-	-	867.46
Movement between stages				-				
Transfers from Stage 1	(685.06)	421.86	263.20	-	(79.29)	39.67	39.62	-
Transfers from Stage 2	192.80	(1,279.52)	1,086.72	-	1.87	(9.65)	7.78	-
Transfers from Stage 3	4.64	5.66	(10.30)	-	0.34	0.16	(0.50)	-
Write-offs during the year	-	-	(7,430.66)	(7,430.66)	-	-	(8,341.07)	(8,341.07)
Provision created/reversed during the year. (Assets repaid, derecognized& Remeasurement)	107.07	(53.18)	4,530.62	4,584.52	(1,780.06)	755.82	10,008.90	8,984.66
Impairment allowance - closing balance	786.88	767.00	1,389.00	2,942.88	806.76	1,634.28	2,851.71	5,292.74

8 Investments

Particulars	As at March 31, 2026			As at March 31, 2025		
	At Cost	Fair Value through P&L	As at March 31, 2026	At Cost	Fair Value through P&L	As at March 31, 2025
a) Subsidiaries	3,951.61	-	3,951.61	3,951.61	-	3,951.61
b) Investment in Security Receipts	-	6,236.38	6,236.38	-	-	-
Total Gross (A)	3,951.61	6,236.38	10,187.99	3,951.61	-	3,951.61
i) Investments outside India	-	-	-	-	-	-
ii) Investments in India	3,951.61	6,236.38	10,187.99	3,951.61	-	3,951.61
Total Gross (B)	3,951.61	6,236.38	10,187.99	3,951.61	-	3,951.61
Less : Allowance for impairment loss (C)	-	(1,960.84)	(1,960.84)	-	-	-
Net - D = (A) - (C)	3,951.61	4,275.54	8,227.15	3,951.61	-	3,951.61

a) Investments in Subsidiary (Measured at Cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in wholly owned subsidiary (Avanti Microfinance Private Limited; 3,95,16,107 shares of ₹ 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, 2026	As at March 31, 2025
FLDG Invoked and Receivable	2,133.45	1,754.18
Less: Impairment on FLDG Invoked and Receivable	(530.08)	-
EIS receivable on assignment	47.03	393.02
EIS receivable on Co-lending	43.81	494.81
Receivable under Co-lending and Assignment	249.52	146.63
Charge Receivable	30.20	38.00
Receivable from payment gateways	15.61	23.33
Servicing Asset (Net of Impairment)	10.16	-
Security rental deposits	39.59	36.24
Gratuity Fund (Net of Provisions) (Refer Note No. 36)	44.84	-
Total	2,084.13	2,886.21

10 Current tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
TDS Receivables	1,037.36	651.81
Total	1,037.36	651.81

11 Property, plant and equipment

Particulars	Computer and accessories	Office equipment	Furniture & Fixtures	Electrical equipment	Server and Network equipment	Total
As at March 31, 2025	167.31	9.98	12.33	65.15	4.15	258.91
Additions	1.02	2.77	1.33		1.17	6.28
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2026	168.33	12.75	13.65	65.15	5.32	265.20
Accumulated depreciation and impairment						
As at March 31, 2025	75.57	4.29	10.66	65.15	3.25	158.93
Charge for the year	42.27	2.62	0.97		0.92	46.78
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2026	117.84	6.91	11.63	65.15	4.17	205.71
Net carrying amount as at March 31, 2026	50.49	5.84	2.02	-	1.14	59.49

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	95.92	2.83	6.03	8.97	-	113.75
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2025	167.31	9.98	12.33	65.15	4.15	258.91
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	91.74	5.69	1.66	-	0.90	99.99

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening value of right of use assets (Office Premises)	144.54	139.54
Addition to lease assets during the year	29.03	72.86
Less: Termination of lease	(6.40)	(4.52)
Less: Amortisation for the year	(83.58)	(63.34)
Closing value of right of use assets	83.58	144.54

13 Other intangible assets

Particulars	Computer software
As at March 31, 2025	5,303.87
Additions	-
Reversal on disposal of assets	-
As at March 31, 2026	5,303.87
As at March 31, 2025	863.83
Charge for the year	1,083.18
Reversal on disposal of assets	-
As at March 31, 2026	1,947.02
Net carrying amount as at March 31, 2026	3,356.85

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

14 Other non-financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to suppliers and others	134.28	86.36
Prepaid expenses	93.07	104.45
Cash Deposits with Insurers	98.74	92.67
Balance with statutory authorities (GST Input Tax Credit)*	1,084.77	992.45
Total	1,410.87	1,275.93

*This includes input tax credit of 48.77 lakhs accounted in books of account which will be claimed in the GST returns on fulfilling the eligibility criteria.

15 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 72)	12.31	72.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,525.99	1,377.03
Total	1,538.30	1,449.21

15.1 Trade payables ageing is as follows:

Particulars	As at March 31, 2026					
	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
(i) MSME	-	12.31	-	-	-	12.31
(ii) Others	1,338.17	187.63	0.19	-	-	1,525.99
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

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	-	-	-	-	-	-

16 A. Debt securities secured (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Redeemable non-convertible debentures - Secured and listed	15,148.54	7,374.16
Redeemable non-convertible debentures - Secured and unlisted	4,981.62	23,886.95
Total (A)	20,130.16	31,261.11

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, 2026	As at March 31, 2025
Liability component of compound financial instruments	-	-
Redeemable non-convertible debentures - Unsecured and unlisted	-	-
Redeemable non-convertible debentures - Unsecured and unlisted	-	-
Total (B)	-	-
Total debt securities (A+B)	20,130.16	31,261.11
Debt securities in India	20,130.16	31,261.11
Debt securities outside India	-	-
Total	20,130.16	31,261.11

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

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Term loan from Banks - Secured	11,396.74	19,988.50
Term loan from Financial Institutions -Secured	18,853.63	28,529.34
Total	30,250.37	48,517.84
Borrowings in India	30,250.37	48,517.84
Borrowings outside India	-	-
Total	30,250.37	48,517.84

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
- 3) Borrowings of ₹ 30,250.37 Lakhs includes ₹ 5,000 Lakhs which was received during the month of Jan-2026 for which loans are to be tagged within 90 days and hence pending as at the year end. However, the said borrowing is subject to floating charge on receivables of the Company till such tagging is completed. Accordingly, trade receivables, other receivables and bank balances aggregating to ₹ 6,250 Lakhs has been considered as secured.

17.1 Terms of debentures

Particulars	Number of debentures		Face value in ₹	Amount (INR in Lakhs)	
	As at March 31, 2026	As at March 31, 2025		As at March 31, 2026	As at March 31, 2025
Secured					
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	2,400	1,00,000	-	2,400.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	250	1,00,000	-	250.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	500	10,00,000	-	5,000.00
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	3,000	10,00,000	-	30,000.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	7,500	1,00,000	-	7,500.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	2,900	1,00,000	-	2,900.00
10.90% Secured, Redeemable, Unlisted, Non-Convertible Debentures	500	500	10,00,000	5,000.00	5,000.00
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	4,000	2,500	1,00,000	4,000.00	2,500.00
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	5,000	5,000	1,00,000	5,000.00	5,000.00
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	2,500	-	1,00,000	2,500.00	-
12.90% Secured, Redeemable, listed, Non-Convertible Debentures	1,270	-	1,00,000	1,270.00	-
11.15% Secured, Redeemable, listed, Non-Convertible Debentures	2,500	-	1,00,000	2,500.00	-

Notes:

The amounts as on March 31, 2026 and March 31, 2025 are outstanding amounts denominated at face value of the respective securities. There were no delays in repayment of borrowings during FY 2025-26 and FY 2024-25.

17.2 Terms of repayment of long term borrowings outstanding#**Maturity pattern of debt securities**

Frequency of Repayment	Interest rate	Original maturity period	As at March 31, 2026		As at March 31, 2025	
			No. of instalments *	Amount	No. of instalments *	Amount
Quarterly repayment schedule	5%-10%	2 to 3 years	-	-	3	1,201.00
	12%-15%	2 to 3 years	15	2,456.26	-	-
At the end of tenure / On demand	10%-12%	Upto 2 years	26	16,403.90	2	10,277.51
	10%-12%	2 to 3 years	-	-	5	19,782.69
	12%-15%	2 to 3 years	12	1,270.00	-	-
Total			53	20,130.16	10	31,261.20

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

Frequency of Repayment	Interest rate	Original maturity period	As at March 31, 2026		As at March 31, 2025	
			No. of instalments *	Amount	No. of instalments *	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	56	10,232.12	64	13,503.90
	10%-12%	2 to 3 years	-	-	55	3,478.92
	12%-15%	Upto 2 years	11	789.99	2	237.65
	12%-15%	2 to 3 years	-	-	23	1,648.72
Quarterly repayment schedule	10%-12%	2 to 3 years	2	374.63	6	1,119.31
	12%-15%	2 to 3 years	-	-	-	-
Total			69	11,396.74	150	19,988.49

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

Frequency of Repayment	Interest rate	Original maturity period	As at March 31, 2026		As at March 31, 2025	
			No. of instalments *	Amount	No. of instalments *	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	-	-	-	-
	10%-12%	2 to 3 years	82	5,047.25	222	12,934.62
	12%-15%	Upto 2 years	-	-	51	4,538.93
	12%-15%	2 to 3 years	168	12,552.19	61	4,714.63
Quarterly repayment schedule	10%-12%	2 to 3 years	2	200.93	-	-
	12%-15%	2 to 3 years	3	1,053.26	20	6,341.22
Total			255	18,853.63	354	28,529.40

*Cumulative instalments for all securities/ loans

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

Avanti Finance Private Limited

CIN: U64920KA2016PTC138355

Notes forming part of the standalone financial statements for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

17.3 Reconciliation of Financing Activity

Particulars	As at March 31, 2025	Cash flow			Adjustments			As at March 31, 2026
		Additions	Payment	Lease payments	Interest expenses on lease liability & Additions	Upfront fees and amortisation	Termination of Lease	
Debt securities	31,261.11	7,770.00	(19,109.00)	-	-	208.05	-	20,130.16
Borrowings (other than debt securities)	48,517.84	18,800.00	(37,084.63)	-	-	17.16	-	30,250.37
Lease liability	148.49	-	-	(87.55)	37.26	-	(6.93)	91.27
Total liabilities from financial activities	79,927.43	26,570.00	(56,193.62)	(87.55)	37.26	225.22	(6.93)	50,471.80

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	(15,428.08)	-	-	(3.30)	-	31,261.11
Borrowings (other than debt securities)	61,048.53	27,500.00	(40,060.20)	-	-	29.51	-	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	(55,488.28)	(68.90)	85.31	26.21	(4.54)	79,927.43

18 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Payable towards Co-lending and assignment transactions	807.15	1,337.44
FLDG invoked payable	343.78	237.36
Service obligation against EIS	47.42	526.00
Lease liabilities (Refer Note No. 39)	91.27	148.49
Security deposit from partners	42.45	143.45
Insurance premium payable	27.61	4.80
Payable to employees	100.02	79.55
Bonus payable	161.59	300.00
Total	1,621.28	2,777.10

19 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<u>For employee benefits</u>		
Gratuity (Refer note- 36)	-	51.81
Employees' Stock Option Plan (ESOP & Cash settled) (Refer Note No.78)	725.34	1,095.43
<u>Others</u>		
Provision on financial guarantee liability	-	781.25
Total	725.34	1,928.49

20 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	159.37	256.94
Others (Receipts pending reconciliation)	177.60	-
Total	336.96	256.94

Particulars	As at March 31, 2026	As at March 31, 2025
21 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
1,50,00,000 Series B1 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - 1,50,00,000)	1,500.00	1,500.00
2,50,00,000 Series B2 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - 2,50,00,000)	2,500.00	2,500.00
6,70,00,000 Series B3 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - 6,50,00,000)	6,700.00	6,500.00
7,50,00,000 Series B4 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - Nil)	7,500.00	-
5,00,00,000 Series B5 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - Nil)	5,000.00	-
Total authorised capital	61,270.00	48,570.00
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 15,09,07,193 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 - 1,42,80,739)	1,428.07	1,428.07
2,01,86,059 Series B2 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - 2,01,86,059)	2,018.61	2,018.61
6,69,40,002 Series B3 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - 6,49,40,002)	6,694.00	6,494.00
7,50,00,000 Series B4 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - Nil)	7,500.00	-
5,00,00,000 Series B5 Compulsory Convertible Preference Share of ₹ 10 /-each fully paid up (PY - Nil)	5,000.00	-
Total	47,152.98	34,452.98
Total equity share capital	62,243.70	49,543.69

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, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72
Issued during the year	-	-	-	-
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 shareholder. 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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Instruments entirely Equity in nature				
Outstanding at the beginning of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30
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)	20,00,000	200.00	6,49,40,002	6,494.00
Issued during the year (Series B4)	7,50,00,000	7,500.00	-	-
Issued during the year (Series B5)	5,00,00,000	5,000.00	-	-
Outstanding at the end of the year	47,15,29,755	47,152.98	34,45,29,755	34,452.98

d. Equivalent number of Equity shares

Particulars	As at March 31, 2026	As at March 31, 2025
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	1,29,29,675
Series B2 Compulsorily Convertible Preference Shares	3,42,81,127	3,42,81,127
Series B3 Compulsorily Convertible Preference Shares	6,69,40,002	6,49,40,002
Series B4 Compulsorily Convertible Preference Shares	7,50,00,000	-
Series B5 Compulsorily Convertible Preference Shares	5,00,00,000	-
Outstanding at the end of the year	38,70,65,264	26,00,65,264

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, 2026		As at March 31, 2025		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Estate of late Mr. Ratan Naval 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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%	1,39,32,428	97.56%	0.00%
2	Mr. Naveen Kukreja	3,48,311	2.44%	3,48,311	2.44%	0.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B2

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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%	65,43,677	32.42%	0.00%
2	Rabo Partnerships B.V.	21,59,413	10.70%	21,59,413	10.70%	0.00%
3	Mr. Kewal Krishan Nohria	15,76,789	7.81%	15,76,789	7.81%	0.00%
4	Mr. Ajay Kumar Aggarwal	31,53,580	15.62%	31,53,580	15.62%	0.00%
5	Mr. Rajat Goenka	15,76,789	7.81%	15,76,789	7.81%	0.00%
6	SAK Industries Private Limited	15,76,789	7.81%	15,76,789	7.81%	0.00%
7	IDH Farmfit Fund B.V.	35,99,022	17.83%	35,99,022	17.83%	0.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B3

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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	74.69%	5,00,00,000	76.99%	0.00%
2	Rabo Partnerships B.V.	56,02,501	8.37%	56,02,501	8.63%	0.00%
3	IDH Farmfit Fund B.V.	93,37,501	13.95%	93,37,501	14.38%	0.00%
4	Mr. Kewal Krishan Nohria	20,00,000	2.99%	-	-	100.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B4

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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	7,50,00,000	100.00%	-	-	100.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B5

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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	100.00%	-	-	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, B4, B5 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,B4,B5 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, 2026		As at March 31, 2025		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Estate of late Mr. Ratan Naval 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%	-

22 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
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	17,689.50	10,687.70
Add : Securities premium credited on share issue		
- Series B1 CCPS	-	2,671.93
- Series B2 CCPS	-	4,382.39
Less: Issue Expenses	(62.51)	(52.52)
Closing balance	17,626.99	17,689.50
ESOP Reserve		
Opening balance	423.02	239.08
Add: Employee stock option compensation for the year	209.12	183.94
Less: Balance transferred to retained earnings		
Less: Premium on exercise of stock options	-	-
Closing balance	632.14	423.02
Other comprehensive income (Remeasurement of defined benefit Liability)		
Opening balance	(30.31)	(14.72)
Add: Transfer from Statement of Profit and Loss on account of :		
-Actuarial loss on retirement benefits	77.07	(15.59)
Closing balance	46.76	(30.31)
Retained earnings		
Opening balance	(34,272.47)	(22,074.80)
Add : Net profit/(net loss) for the current year	(16,647.31)	(12,197.67)
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-	-
Dividend for preference shares	-	-
Total appropriations	-	-
Retained earnings	(50,919.78)	(34,272.47)
Total Other equity	(32,613.89)	(16,190.26)

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, if any.

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on loans	16,725.71	25,596.81
Interest income on deposits	359.76	443.00
Other Interest income	3.63	6.90
Total	17,089.10	26,046.70

24 Fees and commission income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service fees income	4,318.05	5,412.54
Total	4,318.05	5,412.54

25 Net gain on fair value changes

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on financial instruments at fair value through profit or loss		
- Investments		
Gain on sale of mutual funds	274.68	501.82
Gain on fair valuation of investment in mutual funds	-	-
Total	274.68	501.82
Fair value changes:		
- Realised	274.68	501.82
- Unrealised	-	-
Total	274.68	501.82

26 Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on de-recognition of loan assets under amortised cost category	473.30	311.19
Total	473.30	311.19

27 Other operating income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Management consultancy fees	524.27	517.80
Recoveries:		
FLDG recovery - co-lending	59.46	220.41
Recovery from guarantors	-	762.04
Recoveries against FLDG invoked	2,607.27	3,974.18
Write off recovery	999.72	1,114.15
Insurance receipts on loans which were written off	99.34	89.08
Total	4,290.07	6,677.66

28 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on lease termination	0.53	0.04
Provision/credit balances no longer required written back	-	304.55
Profit on sale of property, plant and equipment	0.20	-
Other miscellaneous income	2.17	11.21
Total	2.90	315.80

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on debt securities		
- Debentures	3,314.58	4,145.81
Interest on borrowings (other than debt securities)	4,534.66	6,619.53
Interest on lease liability	16.69	14.35
Other charges	65.52	2.36
Total	7,931.45	10,782.05

30 Fee and commission expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees and Commission expenses	9,004.19	11,739.12
Total	9,004.19	11,739.12

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Portfolio loans written off	11,805.29	12,542.96
Impairment allowance/ (reversal) on portfolio loans	(2,349.85)	1,510.48
Impairment loss allowance on Security Receipts	1,960.84	-
Impairment loss allowance on Receivables and Other assets	533.86	-
Receivables and Other assets written off	304.37	-
Loss allowance for financial guarantee	2,270.97	3,580.26
Total	14,525.48	17,633.70

32 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, other allowance and bonus	3,802.93	3,498.88
Contribution to provident and other funds*	131.74	92.04
Share based payment to employees (Refer Note No. 78)	(160.96)	471.79
Gratuity expenses *	23.48	97.10
Recruitment expenses	5.50	27.25
Staff welfare expenses	179.50	126.62
Total	3,982.20	4,313.68

* (For detailed information refer note - 36)

33 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On Property, plant and equipment	46.78	51.69
On Intangible assets	1,083.18	412.32
On Right of use assets	83.58	63.34
Total	1,213.55	527.35

34 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Legal, consultancy and professional expenses	3,272.10	2,386.41
Hosting and licensing fees	2,227.88	2,910.16
Payments to auditors	49.29	41.58
Stamp duty and filing fees	6.64	7.46
Business promotion expenses	85.13	246.15
Sitting fees	44.01	35.15
Travelling, conveyance and food expenses	117.63	184.75
Lodging and boarding expenses	54.49	78.44
Guarantee fees	-	131.63
Membership and subscription fees	132.64	96.15
Office expenses	178.91	140.47
Bank charges	30.30	47.33
Rent on office premises (Refer Note No. 39)	37.68	31.88
Balances written off	157.94	69.69
Miscellaneous expenses	43.88	60.21
Total	6,438.53	6,467.47

***Auditor's fees and expenses comprises of:**

As Auditor:		
- Audit fees	28.21	27.25
- Tax audit fees	5.08	4.91
- Limited review	11.84	7.63
- Out of pocket expenses	2.42	0.70
In any other manner:		
- Certification	1.74	1.09

35 Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net profit for the year for basic EPS	(16,647.31)	(12,197.67)
Dilutive impact of compulsorily convertible debentures	-	-
Net profit for the year for diluted EPS	(16,647.31)	(12,197.67)
Nominal value of equity share (in ₹)	10.00	10.00
Weighted-average number of equity shares for basis earnings per share	1,509.07	1,509.07
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	1,509.07
Basic earnings per equity share (in ₹)	(11.03)	(8.08)
Diluted earnings per equity share (in ₹)*	(11.03)	(8.08)

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

36 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 ₹ 131.09 Lakhs for the year ended March 31, 2026 (March 31, 2025: ₹ 91.49 Lakhs) for Provident Fund contributions and ₹ 0.65 Lakhs for the year ended March 31, 2026 (March 31, 2025: ₹ 0.55 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, 2026	As at March 31, 2025
Gratuity liability/(Asset)	(44.84)	51.81

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

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity	23.48	97.10

Expense recognised through OCI is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity	(77.07)	15.59

Disclosure for gratuity

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Components of net gratuity cost charged to Statement of Comprehensive Income		
Current service cost	53.41	34.26
Past service cost	20.93	-
Interest expense	13.55	10.11
Interest (income) on plan assets	(10.40)	(8.13)
Addition to Fund written off earlier now accounted	(54.00)	-
Transfer out	-	-
Actuarial loss/(gain) recognised during the year	(77.07)	15.59
Total	(53.59)	51.83

Movement in the present value of defined benefit obligation recognised in the balance sheet	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of defined benefit obligation at the beginning of the year	204.76	143.13
Current service cost	53.41	34.26
Past service cost	20.93	-
Interest cost	13.55	10.11
Benefits paid	(36.21)	-
Actuarial (gain)/ loss	(74.67)	17.26
Defined benefit obligation at the end of the year	181.76	204.76
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	152.95	112.56
Interest income	-	-
Addition to Fund	60.85	-
Employer direct benefits payments	-	30.58
Benefits Paid	-	-
Benefits Paid from the fund	-	-
Return on plan assets excluding interest income	12.80	9.80
Fair value of plan assets end of the year	226.60	152.95

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, 2026	For the year ended March 31, 2025
Present value of funded obligation as at the end of the year	181.76	204.76
Fair value of plan assets as at the end of the year	(226.60)	(152.95)
Funded net liability/(asset) recognized in balance sheet	(44.84)	51.81
Principal assumptions used in determining gratuity liability are shown below:	As at March 31, 2026	As at March 31, 2025
Rate of discounting	7.06%	6.80%
Expected rate of salary increase	5.00%	10.00%
Rate of employee turnover	10.00%	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, 2026	As at March 31, 2025
Year 1	17.59	7.40
Year 2	34.30	8.73
Year 3	16.54	26.89
Year 4	17.56	9.76
Year 5	28.82	25.37
Between 6 to 10 years	73.13	72.94
Above 10 years	129.18	391.90
Total expected payments	317.12	542.99

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount Rate		
Decrease by 50 Basis points	187.56	216.51
Increase by 50 Basis points	(176.30)	(194.05)
Salary Increase Rate		
Decrease by 50 Basis points	(177.38)	(198.03)
Increase by 50 Basis points	186.20	211.60

37 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, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,100.72	-	10,100.72	22,510.45	-	22,510.45
Bank balance other than cash and cash equivalents	3,760.98	116.31	3,877.30	3,002.82	-	3,002.82
Trade Receivables	1,485.90	-	1,485.90	1,008.44	-	1,008.44
Other receivables	160.62	-	160.62	376.76	-	376.76
Loans	40,354.39	11,993.86	52,348.25	48,811.6	30,383.95	79,195.53
Investments	2,210.11	6,017.04	8,227.15	-	3,951.61	3,951.61
Other financial assets	2,044.53	39.59	2,084.13	2,849.97	36.24	2,886.21
Non-financial assets						
Current Tax asset	1,037.36	-	1,037.36	651.81	-	651.81
Property, plant and equipment	-	59.49	59.49	-	99.99	99.99
Right of use asset	-	83.58	83.58	-	144.54	144.54
Other intangible assets	-	3,356.85	3,356.85	-	4,440.03	4,440.03
Other non-financial assets	1,084.77	326.11	1,410.88	-	1,275.93	1,275.93
Total assets	62,239.39	21,992.83	84,232.22	79,211.84	40,332.28	1,19,544.12
Liabilities						
Financial liabilities						
Trade payables	1,538.30	-	1,538.30	1,449.21	-	1,449.21
Debt securities	19,638.91	491.25	20,130.16	18,957.59	12,303.51	31,261.11
Borrowings (other than debt securities)	23,600.66	6,649.71	30,250.37	33,486.42	15,031.42	48,517.84
Other financial liabilities	1,600.63	20.65	1,621.28	2,702.34	74.76	2,777.10
Non-financial liabilities						
Provisions	683.51	41.83	725.34	1,006.54	921.95	1,928.49
Other non-financial liabilities	336.96	-	336.96	256.94	-	256.94
Total liabilities	47,398.97	7,203.45	54,602.41	57,859.05	28,331.64	86,190.68

Notes:

All borrowings are disclosed based on the contractual maturities.

Breach of Covenants during the year-

1) The Company should maintain minimum tangible networth of ₹ 22,500 Lakhs for Listed NCD having ISIN: INE0BNQ07113 which is breached by the company and also got the waiver against the breach on August 12, 2025.

2) The Company should ensure that the credit rating of the company issued /provided by the Rating Agency for unlisted NCD having ISIN: INE0BNQ07105 is not downgraded below "BBB+" where Breach will give additional step-up interest to the holders . The rating has been downgraded to "BBB stable" from "BBB+ stable" during the year upon which company is paying additional interest in line with the terms of the NCD.

38 Contingent liabilities, commitments**(A) Contingent liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
In respect of GST tax demands/ notices where the Company has filed an appeal with relevant authority	151.35	151.35
Total	151.35	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, 2026	As at March 31, 2025
Commitment towards development of Software Platform	-	3,200.00
Commitment towards Loans sanctioned before Balance sheet date but not disbursed	31.54	121.93

39 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, 2026	As at March 31, 2025
Opening lease liabilities	148.49	136.62
Addition to lease liabilities during the year	20.57	70.96
Interest expense on lease liabilities	16.69	14.35
Termination of lease	(6.93)	(4.54)
Cash outflow for leases	(87.55)	(68.90)
Closing lease liabilities	91.27	148.49

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening value of right of use assets	144.54	139.54
Addition to lease assets during the year	29.03	72.86
Deductions/Adjustments	(6.40)	(4.52)
Less: Depreciation charge for the year	(83.58)	(63.34)
Closing value of right of use assets	83.58	144.54

Amounts recognised in Statement of profit or loss

Particulars	As at March 31, 2026	As at March 31, 2025
Amortisation of right of use assets	83.58	63.34
Interest on lease liabilities	16.69	14.35
Total	100.28	77.69

Amounts recognised in the Statement of cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Interest paid on lease liabilities	16.69	14.35
Payment towards lease liabilities	87.55	68.90
Total	104.24	83.25

Maturity analysis of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	70.62	73.72
After one year but not more than five years	20.65	74.76
More than five years	-	-
Total	91.27	148.49

40 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
Estate of late Mr. Ratan Naval Tata	Non-executive Director (upto 9 October 2024)
Mr. Nandan Mohan Nilekani	Non-executive Director
Dr. Vijay Laxman Kelkar	Non-executive Director
Ms. Bindu Ananth	Non-executive Director
Mr. Subramaniam Somasundaram	Independent Director
Ms. Sukanya Kripalu	Independent Director
Mr. Jeroen Bart Nicolaas Meerburg	Non-executive Director
Ms. Roopa Satish	Non-executive Director (w.e.f. 30 April 2025)
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 Prafulla 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, 2026	As at March 31, 2025
NRJN Family Trust	Issue of CCPS	12,500.00	7,075.00
Avanti Microfinance Private Limited (AMPL)	Assignment of loan portfolio to AMPL	-	340.00
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	186.18	180.83
Avanti Microfinance Private Limited (AMPL)	Cross charge of rent expenses to AMPL	1.91	-
Avanti Microfinance Private Limited (AMPL)	Service fee for the assigned Loan from AFPL	1.59	-
Independent Directors	Director Sitting fees	42.51	26.33
Key managerial personnel	Remuneration, reimbursements and Others *	575.41	705.57

* 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, 2026	As at March 31, 2025
NRJN Family Trust	Equity share capital	13,128.67	13,128.67
Dr. Vijay Kelkar	Equity share capital	87.46	87.46
Estate of late Mr. Ratan Naval Tata	Equity share capital	1,687.09	1,687.09
NRJN Family Trust	Compulsorily Convertible Preference shares	21,175.00	8,675.00
Avanti Microfinance Private Limited (AMPL)	Amounts receivable from AMPL	-	108.07
Avanti Microfinance Private Limited (AMPL)	Amounts payable to AMPL	56.16	-
Key managerial personnel	Equity share capital	7.50	7.50

41 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, 2026	As at March 31, 2025
Tier 1 capital	24,846.28	27,853.14
Tier 2 capital	786.88	806.76
Total capital funds	25,633.16	28,659.90
Risk weighted assets	77,286.17	1,07,263.38
Common Equity Tier 1 capital ratio	32.15%	25.97%
Common Equity Tier 2 capital ratio	1.02%	0.75%
Total capital ratio	33.17%	26.72%

Particulars	As at March 31, 2026	As at March 31, 2025
Funds raised through Perpetual Debt Instrument(PDI) during the year	-	-
Amount of Perpetual debt instruments outstanding at the end of the year	-	-
Percentage of the amount of PDI of the amount of its Tier 1 capital	-	-
Details of year in which interest is not paid against PDI	-	-

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.

42 Fair value measurement**42.1 Financial assets and liabilities**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets measured at fair value through P&L		
Investments in Security receipts	4,275.54	-
Financial assets measured at fair value through OCI	-	-
Financial assets measured at amortised cost		
Cash and cash equivalents	10,100.72	22,510.45
Bank balance other than cash and cash equivalents	3,877.30	3,002.82
Trade Receivables	1,485.90	1,008.44
Other receivables	160.62	376.76
Loans	52,348.25	79,195.53
Other financial assets	2,084.13	2,886.21
Total	74,332.45	1,08,980.21

Particulars	As at March 31, 2026	As at March 31, 2025
Financial liabilities measured at amortised cost		
Trade payables	1,538.30	1,449.21
Debt securities	20,130.16	31,261.11
Borrowings (other than debt securities)	30,250.37	48,517.84
Other financial liabilities	1,621.28	2,777.10
Total	53,540.11	84,005.25

42.2 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).

42 Fair value measurement (cont'd)

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

As at March 31, 2026	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Security receipts	-	-	4,275.54	4,275.54
As at March 31, 2025	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Security receipts	-	-	-	-

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.

Investment in the Security Receipts (SRs) issued by ARCs in respect of the stressed loans transferred by the Company to the ARC, the investment in the books is carried on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the Net Asset Value (NAV) declared by the ARC based on the recovery ratings, and the NBV of the transferred stressed loan at the time of transfer as specified in the Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025.

42.4 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, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and cash equivalents	10,100.72	10,100.72	22,510.45	22,510.45
Bank balance other than cash and cash equivalents	3,877.30	3,877.30	3,002.82	3,002.82
Trade Receivables	1,485.90	1,485.90	1,008.44	1,008.44
Other receivables	160.62	160.62	376.76	376.76
Loans (measured at amortised cost)	52,348.25	52,348.25	79,195.53	79,195.53
Other financial assets	2,084.13	2,084.13	2,886.21	2,886.21
Total financial assets	70,056.91	70,056.91	1,08,980.21	1,08,980.21
Financial liabilities:				
Trade payables	1,538.30	1,538.30	1,449.21	1,449.21
Debt securities	20,130.16	20,130.16	31,261.11	31,261.11
Borrowings (other than debt securities)	30,250.37	30,250.37	48,517.84	48,517.84
Other financial liabilities	1,621.28	1,621.28	2,777.10	2,777.10
Total financial liabilities	53,540.11	53,540.11	84,005.25	84,005.25

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.

43 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.

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.

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 and other receivables:

The Company measures expected credit losses (ECL) on trade and other receivables at each reporting date in accordance with Ind AS 109. The methodology applied based on the nature of the receivable is below.

i) FLDG invoked and receivable:

ECL on receivables relating to First Loss Default Guarantee (FLDG) invoked is assessed using an internal multi-factor model. Each lending partner is assigned a ranking based on a weighted evaluation of financial strength, bureau score and vintage, with the provision rate varying with the ranking assigned. This base provision is further adjusted for the ageing of the outstanding, the recovery status of the receivable (including any disputes or payment arrangements), and the partner's recent payment behaviour. Historical trends of collection from counterparties on timely basis and availability of security from the counter parties reflects low level of credit risk. Considering above factors and after considering the cash collateral / fixed deposit as collateral covering the outstanding, the ECL is computed.

ii) Other receivables:

For other receivables, including trade receivables, ECL is computed using a provision matrix that combines the ageing of the receivable with a credit quality overlay derived from the counterparty's external credit rating (CRISIL, ICRA, CARE or India Ratings) or, where no public rating is available, from an internal scoring assessment. The provision rate increases with the period of overdue, reflecting the higher probability of default over time. Receivables meeting the criteria for Significant Increase in Credit Risk (SICR) are subject to lifetime ECL, and amounts outstanding beyond one year are considered for write-off.

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.

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, 2026	As at March 31, 2025
Maximum exposure to credit risk	55,291.13	84,488.27

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 liabilities as on March 31, 2026:

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	1,538.30	-	-	-	-	1,538.30
Borrowings & debt Securities	8,093.35	35,146.23	7,140.96	-	-	50,380.54
Other financial liabilities	1,530.01	-	-	-	-	1,530.01
Lease liabilities	24.62	46.00	20.65	-	-	91.27
Total undiscounted financial liabilities	11,186.27	35,192.23	7,161.61	-	-	53,540.12

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	1,449.21	-	-	-	-	1,449.21
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

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, 2026	For the year ended March 31, 2025
Impact on profit before tax of 100 bps increase in interest rate	(503.81)	(797.79)
Impact on profit before tax of 100 bps Decrease in interest rate	503.81	797.79

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.

vii. Country risk

The Company does not have any exposure to overseas assets, including foreign subsidiaries, joint ventures, or cross-border lending. Accordingly, country risk is not applicable to the Company as at the reporting date.

viii. Derivative risk

The Company has not engaged in any derivative transactions, including forward rate agreements, interest rate swaps, or exchange-traded interest rate derivatives, during the years ended March 31, 2026 and March 31, 2025. Accordingly, Derivative risk is not applicable to the Company as at the reporting date.

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

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

44 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.

45 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.

46 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	30,500.00	Maturity of Facility
2	Bank Lines	CRISIL	16-12-2024	BBB/Stable	40,000.00	Maturity of Facility

1. Rating for Non convertible debentures has been revised to BBB/Stable from BBB+/Stable along with Limit revision from ₹ 42,900 Lakhs to ₹ 27,000 Lakhs on 19-Sep-2025 and Limit has been increased to 305 Cr on 16-Dec-2025.

2. Rating for bank lines has been revised to BBB/Stable from BBB+/Stable on 19-Sep-2025 and Limit has been reduced from ₹ 50,000 Lakhs to ₹ 40,000 Lakhs on 16-Dec-2025 during the year.

47 Capital adequacy ratio

Particulars	As at March 31, 2026	As at March 31, 2025
i) CRAR (%)	33.17%	26.72%
ii) CRAR - Tier I Capital (%)	32.15%	25.97%
iii) CRAR - Tier II Capital (%)	1.02%	0.75%

48 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
(1) Value of investments		
(i) Gross value of investments	10,187.99	3,951.61
(a) In India	10,187.99	3,951.61
(b) Outside India	-	-
(ii) Impairment provisions on investments		
(a) In India	(1,960.84)	-
(b) Outside India	-	-
(iii) Net value of investments	8,227.15	3,951.61
(a) In India	8,227.15	3,951.61
(b) Outside India	-	-
(2) Movement of impairment provisions on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	1,960.84	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	1,960.84	-

The Company neither holds nor invested in Repo Transactions, Debt Securities, HTM Category assets, Government Security Lending transactions during the year ended 31 March 2026 and 31 March 2025.

49 Details of financial assets sold to securitisation

SI No	Particulars	As at March 31, 2026	As at March 31, 2025
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	-	-

Note: There are no off-Balance sheet SPV's which are required to be consolidated as per accounting norms

49.1 Details of transfer of Loan Exposures

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 ended March 31, 2026 and year ended March 31, 2025.

S. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Number of Loans	2,380	47,961
2	Aggregate amount	837.01	9,894.61
3	Sale consideration	753.31	8,917.00
4	Number of Transactions	1	3
5	Weighted average remaining Maturity(In months)	13.20	13.00
6	Weighted average holding period after Origination(In months)	24.69	24.00
7	Retention of beneficial economic interest	10.00%	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 Assignment during the year ended March 31, 2026 and year ended March 31, 2025:

The loans transferred 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, 2026	For the year ended March 31, 2025
1	Number of Loans	-	15,853
2	Aggregate amount	-	6,859.82
3	Sale consideration	-	5,487.86
4	Number of Transactions	-	15,853
5	Weighted average remaining Maturity(In months)	-	24
6	Weighted average holding period after Origination(In months)	-	24
7	Retention of beneficial economic interest	-	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

49.2 Details of Loans not in default acquired through Direct assignment during the year ended March 31, 2026 and year ended March 31, 2025.

S. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Number of Loans	2,695	3,618
2	Aggregate amount	762.73	801.62
3	Sale consideration	762.73	801.62
4	Number of Transactions	3	2
5	Weighted average remaining Maturity(In months)	10.44	9.25
6	Weighted average holding period after Origination(In months)	19.75	17.82
7	Retention of beneficial economic interest	10.00%	10.00%
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

49.3 Details of Loans not in default acquired during the year (other than direct assignment)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
1	Number of Loans	8,185	-
2	Aggregate amount	1,374.28	-
3	Sale consideration	1,415.75	-
4	Number of Transactions	1.00	-
5	Weighted average remaining Maturity(In months)	8.25	-
6	Weighted average holding period after Origination(In months)	7.27	-
7	Retention of beneficial economic interest	-	-
8	Coverage of tangible Security Coverage	NA	-
9	Rating wise distribution of rated loans	NA	-
10	Number of instances (transactions) where transferred as agreed to replace the transferred loans	NA	-
11	Number of transferred loans replaced	NA	-

49.4 Details of financial assets acquired from securitisation/ reconstruction company for asset reconstruction

There are no loans acquired during the during the year ended 31 March 2026 and 31 March 2025.

49.5 Details of stressed loans transferred during the year**i) Details of stressed loans transferred during the year ended 31 March 2026 which are classified as SMA and NPA**

Sl. No.	Particulars	To ARCs	To permitted transferees	To other transferees
1	No. of accounts			
	Loans classified as SMA	9,362	221	-
	Loans classified as NPA	10,335	895	-
	Loans written off	95,574	-	-
2	Aggregate principal outstanding of loans transferred (in ₹ Lakhs)			
	Loans classified as SMA	4,748.08	4.31	-
	Loans classified as NPA	2,190.00	23.74	-
	Loans written off	23,160.35	-	-
3	Aggregate value (net of provisions) of accounts sold (in ₹ Lakhs)	4,435.41	15.98	-
4	Aggregate consideration (in ₹ Lakhs)	7,525.00	32.11	-
	- Received in cash (in ₹ Lakhs)	1,128.75	-	-
	- Received as security receipts (SRs) (in ₹ Lakhs)	6,396.25	-	-
5	Weighted average residual tenure of the loans transferred (in months)	3.58	6.61	-
6	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
7	Investment in Security Receipts (Gross) (in ₹ Lakhs)*	6,396.25	-	-

* No Rating has been assigned against the SR being held by Company

ii) Details of stressed loans transferred during the year ended 31 March 2025 which are classified as SMA and NPA - Nil**iii) Details of stressed loans acquired during the year which are classified as SMA and NPA.**

a) From ARC - Nil during the year ended 31 March 2026 and year ended 31 March 2025

b) From Scheduled Commercial Banks, Regional Rural Bank, Co-operative Banks, All India Financial Institutions, Small Finance Banks and Non-Banking Finance Companies including Housing Finance Companies.

Sl. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Aggregate principal outstanding of loans acquired (Including Interest accrued)	377.25	30.05
2	Aggregate consideration paid	377.25	30.05
3	Weighted average residual tenor of the loans acquired	6.65	1.69

50 Asset liability management maturity pattern of certain items of assets and liabilities as at March 31, 2026

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	556.22	33.78	1,659.18	2,913.80	2,930.37	14,474.92	20,671.32	7,140.96	-	-	50,380.54
Loans	2,082.47	1,967.80	2,066.76	4,397.02	4,152.73	11,053.15	14,634.46	12,879.40	2,057.34	-	55,291.13
Investments	-	-	-	-	-	-	2,210.11	2,065.43	-	3,951.61	8,227.15

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

Notes:

- (i) All borrowings are disclosed based on the contractual maturities.
- (ii) There are no deposits, foreign currency assets and foreign currency liabilities as on March 31, 2026 and March 31, 2025 .
- (iii) Breach of Covenants during the year-
 - 1) The Company should maintain minimum tangible networth of ₹ 22,500 Lakhs for Listed NCD having ISIN: INE0BNQ07113 which is breached by the company and also got the waiver against the breach on August 12, 2025.
 - 2) The Company should ensure that the credit rating of the company issued /provided by the Rating Agency for unlisted NCD having ISIN: INE0BNQ07105 is not downgraded below "BBB+" where Breach will give additional step-up interest to the holders . The rating has been downgraded to "BBB stable" from "BBB+ stable" during the year upon which company is paying additional interest in line with the terms of the NCD.

51 Exposure to real estate sector

Particulars	As at March 31, 2026	As at March 31, 2025
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	-	-

52 Exposure to capital market

The Company does not have any exposure to capital market during the year ended March 31, 2026 and March 31, 2025.

53 Sectoral Exposure (Total Exposure)

Sector	As at March 31, 2026			As at March 31, 2025		
	Total Exposure	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	11,001.44	540.56	4.91%	30,955.10	993.50	3.21%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	654.48	0.74	0.11%	383.01	1.32	0.34%
4. Personal Loans	2,257.87	21.11	0.94%	3,591.23	231.83	6.46%
5. Others						
i) Working Capital loans	3,147.81	-	0.00%	3,947.15	-	0.00%
ii) Livelihood	3,651.17	203.67	5.58%	4,889.02	300.16	6.14%
iii) Livestock	9,296.76	299.03	3.22%	14,394.56	922.52	6.41%
iv) Business/MSME Loans	25,263.63	988.57	3.91%	26,081.59	1,532.01	5.87%
v) Agri Solar	17.97	3.66	20.36%	246.62	28.79	11.67%

54 Intra-group exposures

The Company has no intra-group exposure for the year ended March 31, 2026 and March 31, 2025.

55 Unhedged foreign currency exposure

The Company has no unhedged foreign currency exposure for the year ended March 31, 2026 and March 31, 2025.

56 Details of financing of parent company products

The Company has not financed parent company products for the year ended March 31, 2026 and March 31, 2025.

57 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, 2026 and March 31, 2025.

58 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.

59 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)

60.1 Exposure to Related parties

Sl.no	Particulars	As at March 31, 2026	As at March 31, 2025
A. Loans to Related Parties			
1	Aggregate value of loans sanctioned to related parties during the year	-	-
2	Aggregate value of outstanding loans to related parties as on 31st March	-	-
3	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March (in %)	-	-
4	Aggregate value of outstanding loans to related parties which are categorized as:		
	(i) Special Mention Accounts as on 31st March	-	-
	(ii) Non-Performing Assets as on 31st March	-	-
5	Amount of provisions held in respect of loans to related parties as on 31st March	-	-
B. Contracts and Arrangements involving Related Parties			
6	Aggregate value of contracts and arrangements awarded to related parties during the year	-	-
7	Aggregate value of outstanding contracts and arrangements involving related parties at year end	-	-

60.2 Loans to directors, senior officers and relatives of directors

Sl.no	Particulars	As at March 31, 2026	As at March 31, 2025
1	Directors and their relatives	-	-
2	Entities associated with directors and their relatives	-	-
3	Senior Officers and their relatives	-	-

61.1 Provisions and contingencies

Asset Classification as per RBI Norms March 31, 2026	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	51,565.83	786.88	50,778.95	206.26	580.62
	Stage 2	1,667.95	767.00	900.96	6.67	760.32
Subtotal		53,233.79	1,553.88	51,679.91	212.94	1,340.94
Non-Performing assets (NPA)						
Substandard	Stage 3	2,057.34	1,389.00	668.34	205.73	1,183.27
		-	-	-	-	-
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		2,057.34	1,389.00	668.34	205.73	1,183.27
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	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	51,565.83	786.88	50,778.95	206.26	580.62
	Stage 2	1,667.95	767.00	900.96	6.67	760.32
	Stage 3	2,057.34	1,389.00	668.34	205.73	1,183.27
	Total	55,291.13	2,942.88	52,348.25	418.67	2,524.21

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

61.2 Provisions and contingencies

Break up of 'Provisions and contingencies' shown under the head expenditure in the Statement of Profit and Loss	For the year ended March 31, 2026	For the year ended March 31, 2025
Provision towards NPA	(1,462.70)	1,714.73
Provision for standard assets	(887.15)	(204.25)
Provision towards depreciation on investment	-	-
Provision made towards income tax	-	-
Other Provision and contingencies (with details)		
i) Provision for gratuity*	(23.00)	61.63
ii) Provision for ESOP	(370.09)	221.40
iii) Provision for Bonus	160.00	300.00
iv) Provision for FLDG Liability	(781.25)	717.05
v) Provision for fraud	-	-
vi) Provision for FLDG Invoked and Receivable	530.08	-
vii) Provision for Loss allowance on Trade receivables and Other receivables	3.79	(2.60)

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

61.3 Provisions**(i) Provisions**

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions towards Standard Assets	786.88	806.76

(ii) Floating Provisions

Particulars	As at March 31, 2025	Provision made during the year	Provision reversal/ drawdown during the year	As at March 31, 2026
i) Provision for gratuity	204.76	87.88	110.88	181.76
ii) Provision for ESOP	1,095.43	-	370.09	725.34
iii) Provision for Bonus	300.00	160.00	298.41	161.59
iv) Provision for FLDG Liability	781.25	-	781.25	-
v) Provision for FLDG Receivables	-	530.08	-	530.08
vi) Provision for Trade & Other receivables	-	3.79	-	3.79

62 Draw down from reserves

There has been no draw down from reserve during the year ended March 31, 2026 and March 31, 2025.

63 Gold Loans

The company has no loans outstanding for the year ended March 31, 2026 and March 31, 2025 against gold.

64 Concentration of deposits, advances, exposures and NPAs**64.1 Concentration of advances**

Particulars	As at March 31, 2026	As at March 31, 2025
Total advances to twenty largest borrowers	3,277.58	3,868.47
Percentage of advances to twenty largest borrowers to total advances of the NBFC	5.93%	4.58%

64.2 Concentration of exposures

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to twenty largest borrowers/customers	3,277.58	3,868.47
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC borrowers/customers	5.93%	4.58%

64.3 Concentration of NPAs

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to top four NPA accounts	35.47	17.56

*The company is non-deposit taking NBFC, Concentration of Deposits is Nil.

65 Asset quality and specific provisions**(i) Non-performing advances**

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(i)	Net NPAs to net advances (%)	1.24%	1.42%
(ii) Movement of NPAs (Gross)			
(a)	Opening balance	4,010.14	2,183.00
(b)	Additions during the year	9,867.58	14,370.10
(c)	Reductions during the year	(11,820.38)	(12,542.96)
(d)	Closing balance	2,057.35	4,010.14
(iii) Movement of Net NPAs			
(a)	Opening balance	1,158.44	1,046.02
(b)	Additions during the year	(475.00)	112.41
(c)	Reductions during the year	(15.09)	-
(d)	Closing balance	668.35	1,158.44
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)			
		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	Opening balance	2,851.71	1,136.98
(b)	Provisions made during the year (net of reversals)	10,342.58	14,257.69
(c)	(Write-off)/write-back of excess provisions (net)	(11,805.29)	(12,542.96)
(d)	Closing balance	1,389.00	2,851.71

(ii) Non-performing Investments

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(i)	Net NPI to Net Investments (%)	-	-
(ii) Movement of NPIs (Gross)			
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	Closing balance	-	-
(iii) Movement of Net NPIs			
(a)	Opening balance	-	-
(b)	Additions during the year	-	-
(c)	Reductions during the year	-	-
(d)	Closing balance	-	-
(iv) Movement of provisions for NPIs (excluding provisions on standard assets)			
		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	Opening balance	-	-
(b)	Provisions made during the year (net of reversals)	-	-
(c)	(Write-off)/write-back of excess provisions (net)	-	-
(d)	Closing balance	-	-

(iii) Non-performing Assets

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(i)	Net NPAs to Net Assets (Advances + investments) (%)	1.24%	1.42%
(ii)	Movement of NPAs (Gross Advances + Gross investments)		
	(a) Opening balance	4,010.14	2,183.00
	(b) Additions during the year	9,867.58	14,370.10
	(c) Reductions during the year	(11,820.38)	(12,542.96)
	(d) Closing balance	2,057.35	4,010.14
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,158.44	1,046.02
	(b) Additions during the year	(475.00)	112.41
	(c) Reductions during the year	(15.09)	-
	(d) Closing balance	668.35	1,158.44
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
		For the year ended March 31, 2026	For the year ended March 31, 2025
	(a) Opening balance	2,851.71	1,136.98
	(b) Provisions made during the year (net of reversals)	10,342.58	14,257.69
	(c) (Write-off)/write-back of excess provisions (net)	(11,805.29)	(12,542.96)
	(d) Closing balance	1,389.00	2,851.71

66 Schedule to the Balance sheet

Particulars		As at March 31, 2026		As at March 31, 2025	
Liabilities side:		Outstanding	Overdue	Outstanding	Overdue
1	Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued thereon but not paid				
	(a) Debentures				
	: Secured	20,130.16	-	31,261.11	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of Public deposits)				
	(b) Deferred credits	-	-		
	(c) Term loans (secured)	30,250.37	-	48,517.84	-
	(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, 2026 Outstanding	As at March 31, 2025 Outstanding
3	Break-up of Loans and advances including bills receivables (other than those included in (4) below) :				
	(a) Secured			-	-
	(b) Unsecured			55,291.13	84,488.27
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)			-	-

66 Schedule to the Balance sheet

Particulars	As at March 31, 2026 Outstanding	As at March 31, 2025 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		
(c) Investment in Security Receipts	4,275.54	-
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

67 Classification of Loans and Investments**67.1 Borrower group-wise classification of assets financed:**

Category	As at March 31, 2026				As at March 31, 2025			
	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	-	55,291.13	(2,942.88)	52,348.25	-	84,488.27	(5,292.74)	79,195.53
Total	-	55,291.13	(2,942.88)	52,348.25	-	84,488.27	(5,292.74)	79,195.53

67.2 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	As at March 31, 2026	As at March 31, 2025
	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)	947.61	877.29
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	947.61	877.29

The amount represents the net asset value as per the audited financial statements of the subsidiary as at the year end.

67.3 Other information

Category	As at March 31, 2026	As at March 31, 2025
(i) Gross Non-Performing assets		
(a) Related parties	-	-
(b) Other than related parties	2,057.35	4,010.14
(ii) Net Non-Performing assets		
(a) Related parties	-	-
(b) Other than related parties	668.35	1,158.44

68 Disclosures on resolution plan and restructuring applicable for the company as per Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025

There is no resolution plans implemented during the year ended March 31, 2025.

Details of restructuring:

Particulars	As at March 31, 2026
No. of accounts restructured during the year	820.00
Outstanding as on March 31, 2026	-

69 Disclosures on Project Finance applicable for the company as per Reserve Bank of India

The Company has not involved in project financing during the year and there are no projects under implementation at the beginning and closing of the year.

70 Movement of non-performing assets

Particulars	As at March 31, 2026	As at March 31, 2025
Opening GNPA	4,010.14	2,183.03
Additions (Fresh NPAs) during the year	9,867.58	15,236.54
Sub-total (A)	13,877.72	17,419.57
Less:		
(i) Upgradations	0.11	231.49
(ii) Recoveries (excluding recoveries made from upgraded accounts)	14.97	634.99
(iii) Technical / Prudential** Write offs	11,805.30	12,542.96
(iv) Write offs other than those under (iii) above	-	-
Sub-total (B)	11,820.38	13,409.43
Closing GNPA (A-B)	2,057.34	4,010.14

*Gross NPAs as specified in Reserve Bank of India (All India Financial Institutions – Income Recognition, Asset Classification and Provisioning) Directions, 2025

71 Details of Restructured loans

As per the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, disclosure relating to restructuring of advances is applicable to non-deposit taking NBFCs having an asset size of less than ₹500 crore.

Since the Company's asset size exceeds ₹ 50000 Lakhs, the said disclosure requirement is not applicable and accordingly has not been disclosed.

72 Public disclosure on Liquidity risk management**a) Funding concentration based on significant Counterparty* (both deposits/ borrowings)****As at March 31, 2026**

Number of significant counterparties	Amount	% of Total Deposit	% of Total Liabilities
13	37,216.19	NA	68.16%

As at March 31, 2025

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

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, 2026	31,620.84	62.76%

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

d) Funding concentration based on significant instrument / product

Name of the instrument/ product	As at March 31, 2026	% of Total Liabilities	As at March 31, 2025	% of Total Liabilities
Term loans from Banks	11,396.74	20.87%	19,988.50	23.19%
Term Loans from Financial Institutions	18,853.63	34.53%	28,529.34	33.10%
Non Convertible debentures	20,130.16	36.87%	31,261.11	36.27%

e) Stock Ratios**As at March 31, 2026**

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	7.62%	4.94%

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%

***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.

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

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	12.31	72.18
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.	-	-

74 Overseas assets (Area of Operation), NPA and Revenue

The Company does not have any overseas assets, including joint ventures or subsidiaries abroad, as at March 31, 2026 and March 31, 2025. Accordingly, there is no income derived from any overseas assets during the respective period.

75 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 during the year ended March 31, 2026 and March 31, 2025.

76 Off-balance sheet exposures and structured products

The Company does not have any off balance sheet exposures and structured products during the year ended March 31, 2026 and March 31, 2025.

77 Customer complaints

Particulars	As at March 31, 2026	As at March 31, 2025
Complaints received from its customers		
1) Number of complaints pending at the beginning of the year	85	-
2) Number of complaints received during the year	1,620	1,382
3) Number of complaints disposed off during the year	1,554	1,297
- Out of which, number of complaints rejected	-	-
4) Number of complaints pending at the end of the year	151	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)	-	-

77 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	2	-75%	0	0
Digital Transactions	0	6	-96%	0	0
Credit Bureau Report	0	687	15%	54	0
Recovery Practices	0	553	1807%	76	0
Discourteous	0	0	-100%	0	0
Loan Related	0	91	-81%	12	0
Others	0	281	127%	9	1
Total	0	1620		151	1
Previous 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

78 Information on instances of fraud**Instances of fraud reported for the year ended March 31, 2026:**

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount Provided *
Fraud committed by staff	7	42.44	-	42.44
Fraud committed by other than staff - Theft	-	-	-	-
Fraud committed by other than staff - Misappropriation of funds and Criminal Breach of Trust	34	129.08	20.59	108.49
Fraud committed by other than staff - Corruption and Bribe	-	-	-	-

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	-	-	-	-

* Amount provided includes amounts written off also

79 ESOP Disclosures**ESOPs movement (equity plan)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Option outstanding at the beginning of the year	3,97,91,102	3,86,96,658
Granted during the year	7,88,000	14,56,594
Exercised during the year	-	-
Forfeited during the year	1,86,13,225	3,62,150
Option outstanding at the End of the year	2,19,65,877	3,97,91,102

ESOPs movement (Cash Settled)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Option outstanding at the beginning of the year	2,08,60,000	2,08,60,000
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	65,23,437	-
Option outstanding at the End of the year	1,43,36,563	2,08,60,000

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	3,49,78,995	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

80 Analytical Ratios

Ratios	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% Variance	Reason for variance
Capital to risk-weighted assets ratio	25,633.16	77,286.17	33.17%	26.72%	24.13%	#
Tier I CRAR	24,846.28	77,286.17	32.15%	25.97%	23.80%	#
Tier II CRAR	786.88	77,286.17	1.02%	0.75%	35.37%	#

Tier I CRAR increased during the period due to capital infusion during the year and a reduction in risk-weighted assets (RWA) as on the balance sheet date. Tier II Capital reduced as the AUM declined during the current year, resulting in a lower ECL provision compared to the previous year.

81 Ratios

Particulars	As at March 31, 2026	As at March 31, 2025
Leverage Ratio (Debt equity ratio)	1.70	2.39
Provision Coverage Ratio - Stage 3	67.51%	71.11%

82 Penalties and Strictures

No penalties have been levied by any regulator on the Company including RBI during the year ended March 31, 2026.

83 Derivatives

The Company has not engaged in any derivative transactions, including forward rate agreements, interest rate swaps, or exchange-traded interest rate derivatives, during the years ended March 31, 2026 and March 31, 2025.

84 Disclosure on Co-Lending Arrangements (CLA)

The Company has not entered into any co-lending arrangement after January 1, 2026.

85 Disclosure on Liquidity Coverage Ratio (LCR)

Disclosures on Liquidity Coverage Ratio (LCR) is not applicable during the year ended March 31, 2026 and March 31, 2025.

86 Currency Options

The Company has not involved in any currency options during the year ended March 31, 2026 and March 31, 2025.

87 Breach of Covenants

- 1) The Company should maintain minimum tangible networth of ₹ 22,500 Lakhs for Listed NCD having ISIN: INE0BNQ07113 which is breached by the company and also got the waiver against the breach on August 12, 2025.
- 2) The Company should ensure that the credit rating of the company issued /provided by the Rating Agency for unlisted NCD having ISIN: INE0BNQ07105 is not downgraded below "BBB+" where Breach will give additional step-up interest to the holders . The rating has been downgraded to "BBB stable" from "BBB+ stable" during the year upon which company is paying additional interest in line with the terms of the NCD.

88 Expenditure in Foreign Currency

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expenditure incurred in Foreign currency	40.16	57.50

89 Unhedged Foreign currency Contracts

The Company does not have any foreign currency exposure or foreign currency contracts as at March 31, 2026 and March 31, 2025

90 Non-Fund Based (NFB) Credit Facilities

The Company does not Provide or receive any Non-fund based credit facilities during the year ended March 31, 2026 and March 31, 2025.

91 Off-Balance Sheet Exposure

The Company does not have Off-Balance sheet exposure as on March 31, 2026 and March 31, 2025.

92 Currency Futures

The Company does not made any transactions in the currency futures market during the year ended March 31, 2026 and March 31, 2025.

93 Credit Default Swaps

The Company does not undertaken any transactions with reference to Credit Default swaps during the year ended March 31, 2026 and March 31, 2025.

94 Other Disclosures

- i) There are no prior period items accounted during the during the year ended March 31, 2026 and March 31, 2025.
- ii) There are no changes in accounting policies and there is no impact of the same in the year ended March 31, 2026 and March 31, 2025.
- iii) There are no instances where revenue recognition has been postponed during the year ended March 31, 2026 and March 31, 2025.

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

- a) 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.
 - b) There are no transactions with struck off companies during the year ended March 31, 2026 and March 31, 2025.
 - c) The Company has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2026 and March 31, 2025.
 - d) The Company does not have any Benami property. No proceedings have been initiated or are pending against the Company for holding any Benami property.
 - e) The Company has not been declared as 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 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 -
 - (i) 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
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - (B) 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
 - (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 Company has not deviated in any compliance with the requirements of Companies Act, 2013, including with respect to compliance with the Indian Accounting Standards.
- 96** Previous year's figures have been regrouped/reclassified, wherever considered necessary, to conform to the current year's presentation and does not have any impact on the previously reported results.

97 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

Rahul Gupta
Director
DIN: 09247626

K.P. Srinivas
Partner
Membership No.208520

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Sushil Thaker
Chief Financial Officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
18-05-2026

Mumbai
18-05-2026

Avanti Finance Private Limited
Consolidated Financial Statements
for the year 2025-26

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, 2026, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statements 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 policies and other explanatory information for the year ended on that date (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 Consolidated state of affairs of the Group as at March 31, 2026, 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 matters 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 policies and note 7 for the outstanding loan assets and note 46 (i) of the Consolidated Financial Statements for credit risk disclosures. As at March 31, 2026, the Group has reported gross loan assets of Rs. 55,958.77 lakhs against which an impairment loss of Rs. 2,958.89 lakhs have 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 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-	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; • 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 45 "Risk Management" disclosed in the Consolidated Financial Statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Key audit matter	How the matter was addressed in our audit
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.	

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.
- 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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, Avanti Microfinance Private Limited, whose financial statements reflect total assets of Rs. 959.17 lakhs as at March 31, 2026, total revenues of Rs. 70.32 lakhs and net cash flow amounting to Rs. 229.78 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, M/s. P.V. Menon & Associates, Chartered Accountants whose audit report dated May 13, 2026 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 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 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;
 - 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 as on March 31, 2026, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting 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.
- g) With respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 41 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.
 - iv.
 - a) Based on the representation of the management of the Holding Company and based on the auditor’s report issued by the auditor of its subsidiary, 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 based on the auditor’s report issued by the auditor of its subsidiary, 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 its subsidiaries, 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, 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.
3. 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.

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

K P Srinivas
Partner
Place: Bengaluru
M. No. 208520
Date: 18-05-2026
UDIN: 26208520QTCIQ5894

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, 2026, we have audited the internal financial controls over financial reporting of **Avanti Finance Private Limited** (hereinafter referred to as "the Holding Company") which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Company's internal financial controls over financial reporting 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") 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 are sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the holding 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 holding 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 Over Financial Reporting with reference to these consolidated financial statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting 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, the Holding Company and its subsidiary, have, in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria.

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

K P Srinivas
Partner

Place: Bengaluru

M. No. 208520

Date: 18-05-2026

UDIN: 26208520QWCIQ5894

Avanti Finance Private Limited
CIN: U64920KA2016PTC138355
Consolidated Balance Sheet as at March 31, 2026
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	10,332.27	22,524.21
Bank balance other than cash and cash equivalents	5	3,877.30	3,002.82
Receivables :	6		
i) Trade Receivables		1,485.91	1,008.44
ii) Other Receivables		160.62	376.47
Loans	7	52,999.88	80,170.88
Investments	8	4,275.54	-
Other financial assets	9	2,084.13	2,766.42
2 Non-financial assets			
Current tax assets	10	1,037.52	652.25
Property, plant and equipment	11	59.49	99.99
Right of use assets	12	83.58	144.54
Goodwill	13	747.32	747.32
Other intangible assets	14	3,356.85	4,440.03
Other non-financial assets	15	1,430.54	1,298.68
Total assets		81,930.95	1,17,232.06
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables			
(I) Trade payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		12.36	72.18
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,536.80	1,392.36
Debt securities	17	20,130.16	31,261.11
Borrowings (other than debt securities)	18	30,250.37	48,517.84
Other financial liabilities	19	1,565.12	2,782.89
2 Non-financial liabilities			
Provisions	20	725.34	1,928.49
Other non-financial liabilities	21	337.68	257.16
Total liabilities		54,557.83	86,212.01

Avanti Finance Private Limited
CIN: U64920KA2016PTC138355
Consolidated Balance Sheet as at March 31, 2026
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes		As at March 31, 2025
3 Equity			
Equity share capital	22	15,090.72	15,090.72
Instruments entirely Equity in nature	22	47,152.98	34,452.98
Other equity	23	(34,870.58)	(18,523.65)
Total equity		27,373.12	31,020.05
Total liabilities and equity		81,930.95	1,17,232.06

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
Partner
Membership No.208520

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Sushil Thaker
Chief Financial Officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
18-05-2026

Mumbai
18-05-2026

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
(i) Interest income	24	17,274.05	26,218.74
(ii) Fees and commission income	25	4,318.05	5,412.54
(iii) Net gain on fair value changes	26	274.68	501.82
(iv) Net gain on de-recognition of financial instruments	27	473.30	317.64
(v) Other operating income	28	4,298.96	6,684.49
(I) Total revenue from operations		26,639.04	39,135.23
(II) Other income	29	0.99	322.51
(III) Total income (I + II)		26,640.03	39,457.74
Expenses			
(i) Finance costs	30	7,931.45	10,782.05
(ii) Fee and commission expense	31	9,032.77	11,778.19
(iii) Impairment of financial instruments	32	14,575.92	17,688.83
(iv) Employee benefits expenses	33	4,002.98	4,313.68
(v) Depreciation and amortisation expenses	34	1,213.55	527.35
(vi) Other expenses	35	6,453.96	6,489.70
(IV) Total expenses		43,210.63	51,579.81
(V) Profit/(Loss) before exceptional items and tax (III - IV)		(16,570.60)	(12,122.08)
(VI) Exceptional items		-	-
(VII) Profit/(Loss) before tax (V - VI)		(16,570.60)	(12,122.08)
(VIII) Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(IX) Profit/(Loss) for the year from continuing operations (VII - VIII)		(16,570.60)	(12,122.08)
(X) Profit/(Loss) for the year (IX)		(16,570.60)	(12,122.08)
(XI) Other comprehensive income/(Loss)			
(i) Items that will not be reclassified to profit or loss (reameasurement gain/(loss) of defined benefit plans)		77.07	(15.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		77.07	(15.59)
(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)		77.07	(15.59)
(XII) Total comprehensive income/(Loss) for the year (X + XI)		(16,493.53)	(12,137.67)
Basic (₹)		(10.98)	(8.03)
Diluted (₹)		(10.98)	(8.03)

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

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K.P. Srinivas

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Sushil Thaker

Chief Financial Officer

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18-05-2026

Urvashi P. Bahirsheth

Company Secretary &CCO

ACS 37475

Mumbai

18-05-2026

Consolidated Cash Flow Statement for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	(16,570.60)	(12,122.08)
Interest income on loans	(16,910.66)	(25,768.43)
Interest income on deposits	(359.76)	(443.42)
Depreciation and amortisation expenses	1,213.55	527.35
Impairment on financial instruments & Others	9,505.88	14,108.57
Impairment on Investments and other financial assets	2,799.08	-
Loss allowance on financial guarantee	2,270.97	3,580.26
Finance costs	7,931.45	10,782.05
Net gain on fair value changes on investments	(274.68)	(501.82)
Share based payments to employees	(160.96)	471.79
Profit on Sale of property, plant and equipment	(0.20)	-
	(10,555.93)	(9,365.73)
Operational cashflows from interest:		
Interest income on loans	16,910.66	25,768.43
Interest and charges paid on borrowings	(7,931.45)	(10,782.05)
	(1,576.72)	5,620.65
Movements in working capital:		
(Increase) / Decrease in Trade receivables	(474.72)	(733.29)
(Increase) / Decrease in Other receivables	216.88	24.09
(Increase) / Decrease in Loans	16,293.03	(498.70)
(Increase) / Decrease in Other financial assets	1,212.37	(1,850.71)
(Increase) / Decrease in Other non financial assets	(131.85)	(285.55)
Increase / (Decrease) in Trade and Other payables	84.63	(42.96)
Increase / (Decrease) in Other financial liabilities	(3,401.19)	(2,289.69)
Increase / (Decrease) in Other non financial liabilities	80.50	120.32
Increase / (Decrease) in Provisions	(756.00)	656.24
(Increase) / Decrease in Bank Balance other than cash and cash equivalents	(874.47)	615.33
Cash used in operations	10,672.46	1,335.73
Direct taxes paid (including tax deducted at source, net of refunds)	(385.27)	(421.26)
Net cash flows used in operating activities (A)	10,287.19	914.47
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)	(28.92)	(1,392.65)
Proceeds from sale of property, plant and equipment	0.20	-
Purchase of Security Receipts	(6,236.38)	-
Interest received on deposits	359.76	443.42
Purchase of Mutual Funds	(96,800.00)	(66,099.76)
Sale of Mutual Funds	97,074.68	66,601.58
Net cash flows used in investing activities (B)	(5,630.66)	(447.41)
C. Cash flow from financing activities		
Proceeds from issue of instruments entirely in equity in nature (including securities premium) (Net of issue expenses)	12,637.49	16,942.49
Lease Payments	(87.55)	(68.90)
Proceeds from Debt securities	7,770.00	12,500.00
Repayment of Debt securities	(18,900.94)	(15,431.39)
Proceeds from borrowings other than debt securities	18,800.00	27,500.00
Repayment of borrowings other than debt securities	(37,067.47)	(40,030.70)
Net cash flows from financing activities (C)	(16,848.47)	1,411.51
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(12,191.94)	1,878.56
Cash and cash equivalents at the beginning of the year	22,524.21	20,645.65
Cash and cash equivalents at the end of the year	10,332.27	22,524.21

Consolidated Cash Flow Statement for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

Components of cash and cash equivalents		
Cash and cash equivalents at the end of the year	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Cash on hand	3.17	0.03
ii) Balances with banks (of the nature of cash and cash equivalents)	10,329.10	22,524.19
Total	10,332.27	22,524.21

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
Partner
Membership No.208520

Bengaluru
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Sushil Thaker
Chief Financial Officer

Urvashi P. Bahirsheth
Company Secretary
ACS 37475

Bengaluru
18-05-2026

Mumbai
18-05-2026

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72
Changes in Equity share capital during the year	-	-	-	-
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
15,090.72	-	-	-	15,090.72

B. Instruments entirely equity in nature

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30
Changes during the year	12,70,00,000	12,700.00	9,94,06,800	9,940.68
As at the end of the year	47,15,29,755	47,152.98	34,45,29,755	34,452.98

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	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2025	-	17,689.51	-	423.02	-	(36,605.87)	(30.31)	(18,523.65)
Profit/(Loss) for the year	-	-	-	-	-	(16,570.60)	-	(16,570.60)
Other comprehensive income	-	-	-	-	-	-	77.07	77.07
Addition to ESOP Reserve	-	-	-	209.12	-	-	-	209.12
Issue of instruments entirely equity in nature (net of issue expenses)	-	(62.52)	-	-	-	-	-	(62.52)
Balance as at March 31, 2026	-	17,626.99	-	632.14	-	(53,176.47)	46.76	(34,870.58)

Avanti Finance Private Limited

CIN: U64920KA2016PTC138355

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

(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, 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	-	-	-	-	-	-	(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)

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

18-05-2026

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Chief Financial Officer

Bengaluru

18-05-2026

Urvashi P. Bahirsheth

Company Secretary

ACS 37475

Mumbai

18-05-2026

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 Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025).

2. Basis of preparation & Consolidation

Principles and 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-26	31-Mar-25
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 18, 2026.

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, Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025. 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. 38 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:

- 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 Stage 3 (NPA) assets is not accrued in the books of account.

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 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.

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 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 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 on 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 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 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 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 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-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 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 and other receivables

The Company measures expected credit losses (ECL) on trade and other receivables at each reporting date in accordance with Ind AS 109. The methodology applied based on the nature of the receivable is below.

FLDG invoked and receivable:

ECL on receivables relating to First Loss Default Guarantee (FLDG) invoked is assessed using an internal multi-factor model. Each lending partner is assigned a ranking based on a weighted evaluation of financial strength, bureau score and vintage, with the provision rate varying with the ranking assigned. This base provision is further adjusted for the ageing of the outstanding, the recovery status of the receivable (including any disputes or payment arrangements), and the partner's recent payment behaviour. Historical trends of collection from counterparties on timely basis and availability of security from the counterparties reflects low level of credit risk. Considering above factors and after considering the Cash collateral / Fixed deposit as collateral covering the outstanding, the ECL is computed.

Other receivables:

For other receivables, including trade receivables, ECL is computed using a provision matrix that combines the ageing of the receivable with a credit quality overlay derived from the counterparty's external credit rating

(CRISIL, ICRA, CARE or India Ratings) or, where no public rating is available, from an internal scoring assessment. The provision rate increases with the period of overdue, reflecting the higher probability of default over time. Receivables meeting the criteria for Significant Increase in Credit Risk (SICR) are subject to lifetime ECL, and amounts outstanding beyond one year are considered for write-off.

Impairment of Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

In the case of Group, since both Holding Company and subsidiary were in similar business, entire business has been treated as one Cash Generating Unit (CGU). As required under the standard, this is the lowest level at which the goodwill is monitored for internal management purposes. In view of this, Group as a whole is valued as one CGU for the purpose of assessing the impairment of goodwill.

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. 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.

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.

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.

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 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 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.

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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements: The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants and shall be applicable w.e.f. April 1, 2025.

In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates and shall be applicable w.e.f. April 1, 2025. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed and evaluated the amendments made in Ind AS 7 and Ind AS 107. Since the company does not have any supplier finance arrangements, the company has determined that it does not have any impact in its financial statements.

Ind AS 12, Amendment relates to International Tax Reform Pillar Two Model Rules and shall be applicable immediately. The company has evaluated the amendment and determined that it does not have any impact in its financial statements.

4 Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	3.17	0.03
Balances with banks and financial institutions		
- Balance with banks in current accounts	5,167.95	6,936.81
- Deposit with banks original maturity less than 3 months	5,161.15	15,587.37
Total	10,332.27	22,524.21

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Deposits for maturity of more than 3 months and upto 12 months	1,178.46	871.10
Other Bank Balances*	2,698.83	2,131.72
Total	3,877.30	3,002.82

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

Particulars	As at March 31, 2026	As at March 31, 2025
Term loans	432.26	-
Security against first loss default guarantee	2,266.57	2,131.72
Total	2,698.83	2,131.72

6 Receivables (at amortised cost)**(I) Trade receivables**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good-secured	-	-
Trade receivables considered good- unsecured	1,488.66	1,008.44
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	1,488.66	1,008.44
Less: Impairment loss allowance	(2.75)	-
Total	1,485.91	1,008.44

(II) Other receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Other receivables considered good-secured	-	-
Other receivables considered good-unsecured	161.65	376.47
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Total	161.65	376.47
Less: Impairment loss allowance	(1.03)	-
Total	160.62	376.47

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

Note 6.1 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2026						
	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	437.78	1,050.88	-	-	-	-	1,488.66
(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, 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	-	-	-	-	-	-	-

7 Loans (Amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
i) Term loans	52,778.87	84,249.44
ii) Working Capital Loans	3,179.91	1,259.09
Total (A) - Gross	55,958.77	85,508.53
Less : Impairment loss allowance	(2,958.89)	(5,337.65)
Total (A) - Net	52,999.88	80,170.88
Secured by Fixed Deposit/Cash	-	-
Unsecured	55,958.77	85,508.53
Total (A) - Gross	55,958.77	85,508.53
Less : Impairment loss allowance	(2,958.89)	(5,337.65)
Total (A) - Net	52,999.88	80,170.88
Loans in India		
Public sector	-	-
Others	55,958.77	85,508.53
Total - Gross	55,958.77	85,508.53
Less : Impairment loss allowance	(2,958.89)	(5,337.65)
Total - Net	52,999.88	80,170.88

Notes:

1. The Group doesn't have any Gold and silver collaterals during the year ended March 31, 2026 and March 31, 2025.
2. The Group has not conducted any auctions on Gold/Silver during the year ended March 31, 2026 and March 31, 2025.
3. Loans outstanding as at March 31, 2026 and March 31, 2025 are unsecured. The Company has not granted any secured loans during the years ended March 31, 2026 and March 31, 2025.

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 43(i) Credit Risk (Impairment assessment).

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade - No over due	51,019.28	-	-	51,019.28	73,400.08	-	-	73,400.08
Standard grade - DPD 1 to 29	1,197.40	-	-	1,197.40	3,753.81	-	-	3,753.81
Standard grade - DPD 30 to 59	-	703.77	-	703.77	-	2,358.72	-	2,358.72
Standard grade - DPD 60 to 89	-	972.69	-	972.69	-	1,974.46	-	1,974.46
Non-performing								
Sub-standard grade- DPD >= 90*	-	-	2,065.63	2,065.63	-	-	4,021.46	4,021.46
Total	52,216.68	1,676.46	2,065.63	55,958.77	77,153.89	4,333.18	4,021.46	85,508.53

* 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, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	77,153.89	4,333.18	4,021.46	85,508.53	93,076.09	2,323.38	2,190.61	97,590.08
New assets originated*	64,505.91	82.40	144.73	64,733.04	64,155.67	-	-	64,155.67
Movement between stages								
Transferring from Stage 1	(11,315.98)	9,863.95	1,452.03	-	(5,713.78)	2,224.20	3,489.57	-
Transferring from Stage 2	4.55	(8,284.43)	8,279.88	-	3.20	(23.42)	20.22	-
Transferring from Stage 3	0.09	0.02	(0.11)	-	0.49	0.37	(0.86)	-
Assets repaid, derecognized and written off	(78,131.80)	(4,318.66)	(11,832.34)	(94,282.80)	(74,367.78)	(191.35)	(1,678.09)	(76,237.22)
Gross carrying amount- closing balance	52,216.66	1,676.46	2,065.65	55,958.77	77,153.89	4,333.18	4,021.46	85,508.53

* 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.

7 Loans (contd.)

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2026				As at March 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	827.16	1,650.81	2,859.68	5,337.65	1,818.32	849.86	1,141.64	3,809.81
New assets originated	366.15	37.89	97.71	501.75	881.02	-	-	881.02
Movement between stages								
Transfers from Stage 1	(687.15)	422.59	264.56	-	(79.80)	40.05	39.74	-
Transfers from Stage 2	196.07	(1,283.52)	1,087.46	-	1.87	(9.65)	7.78	-
Transfers from Stage 3	5.79	5.66	(11.45)	-	0.34	0.16	(0.50)	-
Write-offs during the year	-	-	(7,430.66)	(7,430.66)	-	-	(12,581.31)	(12,581.31)
Provision created/reversed during the year. (Assets repaid, derecognized & Remeasurement)	85.34	(62.68)	4,527.49	4,550.15	(1,794.60)	770.39	14,252.33	13,228.12
Impairment allowance - closing balance	793.36	770.75	1,394.79	2,958.89	827.16	1,650.81	2,859.68	5,337.65

8 Investments

Particulars	As at March 31, 2026	As at March 31, 2025
a) Investment in Security Receipts (at fair value through P&L)	6,236.38	-
Total Gross (A)	6,236.38	-
i) Investments outside India	-	-
ii) Investments in India	6,236.38	-
Total Gross (B)	6,236.38	-
Less : Allowance for impairment loss (C)	(1,960.84)	-
Net - D = (A) - (C)	4,275.54	-

9 Other financial assets

(unsecured, considered good)

Particulars	As at March 31, 2026	As at March 31, 2025
FLDG Invoked and Receivable	2,133.45	1,754.18
Less: Impairment on FLDG Invoked and Receivable	(530.08)	-
EIS receivable on assignment	47.03	393.02
EIS receivable on Co-lending	43.81	494.81
Receivable under Co-lending and Assignment	249.52	26.84
Charge Receivable	30.20	38.00
Receivable from payment gateways	15.61	23.33
Servicing Asset (Net of Impairment)	10.16	-
Security rental deposits	39.59	36.24
Gratuity Fund (Net of provision) (Refer Note 37)	44.84	-
Total	2,084.13	2,766.42

10 Current tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
TDS Receivables	1,037.52	652.25
Total	1,037.52	652.25

11 Property, plant and equipment

Particulars	Computer and accessories	Office equipment	Furniture & Fixtures	Electrical equipment	Server and Network equipment	Total
As at March 31, 2025	167.31	9.98	12.33	65.15	4.15	258.91
Additions	1.02	2.77	1.33		1.17	6.28
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2026	168.33	12.75	13.65	65.15	5.32	265.20
Accumulated depreciation and impairment						
As at March 31, 2025	75.57	4.29	10.66	65.15	3.25	158.93
Charge for the year	42.27	2.62	0.97		0.92	46.78
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2026	117.84	6.91	11.63	65.15	4.17	205.71
Net carrying amount as at March 31, 2026	50.49	5.84	2.02	-	1.14	59.49

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	95.92	2.83	6.03	8.97	-	113.75
Adjustments/ regrouping	-	-	-	-	-	-
Reversal on disposal of assets	-	-	-	-	-	-
As at March 31, 2025	167.31	9.98	12.33	65.15	4.15	258.91
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	91.74	5.69	1.66	-	0.90	99.99

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening value of right of use assets (Office Premises)	144.54	139.54
Addition to lease assets during the year	29.03	72.86
Less: Termination of lease	(6.40)	(4.52)
Less: Amortisation for the year	(83.58)	(63.34)
Closing value of right of use assets	83.58	144.54

13 Goodwill

Particulars	As at March 31, 2026	As at March 31, 2025
Goodwill	747.32	747.32
Total	747.32	747.32

14 Other intangible assets

Particulars	Computer software
As at March 31, 2025	5,303.87
Additions	-
Reversal on disposal of assets	-
As at March 31, 2026	5,303.87
As at March 31, 2025	863.83
Charge for the year	1,083.18
Reversal on disposal of assets	-
As at March 31, 2026	1,947.02
Net carrying amount as at March 31, 2026	3,356.85

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

15 Other non-financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to suppliers and others	134.28	86.36
Prepaid expenses	93.10	104.45
Cash Deposits with Insurers	98.74	92.67
Balance with statutory authorities (GST Input Tax Credit)*	1,104.40	1,015.20
Total	1,430.54	1,298.68

*This includes input tax credit of 48.77 lakhs accounted in books of account which will be claimed in the GST returns on fulfilling the eligibility criteria.

16 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 45)	12.36	72.18
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,536.80	1,392.36
Total	1,549.16	1,464.53

16.1 Trade payables ageing is as follows:

Particulars	As at March 31, 2026					
	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		12.36	-	-	-	12.36
(ii) Others	1,338.17	198.45	0.19	-	-	1,536.80
(iii) Disputed dues- MSME		-	-	-	-	-
(iv) Disputed dues- others		-	-	-	-	-

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	-	-	-	-	-	-

17 A. Debt securities secured (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
Redeemable non-convertible debentures - Secured and listed	15,148.54	7,374.16
Redeemable non-convertible debentures - Secured and unlisted	4,981.62	23,886.95
Total (A)	20,130.16	31,261.11

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, 2026	As at March 31, 2025
Liability component of compound financial instruments	-	-
Redeemable non-convertible debentures - Unsecured and unlisted	-	-
Redeemable non-convertible debentures - Unsecured and unlisted	-	-
Total (B)	-	-
Total debt securities (A+B)	20,130.16	31,261.11
Debt securities in India	20,130.16	31,261.11
Debt securities outside India	-	-
Total	20,130.16	31,261.11

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

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Term loan from Banks - Secured	11,396.74	19,988.50
Term loan from Financial Institutions -Secured	18,853.63	28,529.34
Total	30,250.37	48,517.84
Borrowings in India	30,250.37	48,517.84
Borrowings outside India	-	-
Total	30,250.37	48,517.84

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

18.1 Terms of debentures

Particulars	Number of debentures (in lakhs)		Face value in ₹	Amount (INR In Lakhs)	
	As at March 31, 2026	As at March 31, 2025		As at March 31, 2026	As at March 31, 2025
Secured					
10% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	2,400	1,00,000	-	2,400.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	250	1,00,000	-	250.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	500	10,00,000	-	5,000.00
9.25% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	3,000	10,00,000	-	30,000.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	7,500	1,00,000	-	7,500.00
11% Secured, Redeemable, Unlisted, Non-Convertible Debentures	-	2,900	1,00,000	-	2,900.00
10.90% Secured, Redeemable, Unlisted, Non-Convertible Debentures	500	500	10,00,000	5,000.00	5,000.00
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	4,000	2,500	1,00,000	4,000.00	2,500.00
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	5,000	5,000	1,00,000	5,000.00	5,000.00
10.90% Secured, Redeemable, listed, Non-Convertible Debentures	2,500	-	1,00,000	2,500.00	-
12.90% Secured, Redeemable, listed, Non-Convertible Debentures	1,270	-	1,00,000	1,270.00	-
11.15% Secured, Redeemable, listed, Non-Convertible Debentures	2,500	-	1,00,000	2,500.00	-

Notes:

The amounts as on March 31, 2026 and March 31, 2025 are outstanding amounts denominated at face value of the respective securities. There were no delays in repayment of borrowings during FY 2025-26 and FY 2024-25.

18.2 Terms of repayment of long term borrowings outstanding#**Maturity pattern of debt securities**

Frequency of Repayment	Interest rate	Original maturity period	As at March 31, 2026		As at March 31, 2025	
			No. of instalments *	Amount	No. of instalments *	Amount
Quarterly repayment schedule	5%-10%	2 to 3 years	-	-	3	1,201.00
	12%-15%	2 to 3 years	15	2,456.26	-	-
At the end of tenure / On demand	10%-12%	Upto 2 years	26	16,403.90	2	10,277.51
	10%-12%	2 to 3 years	-	-	5	19,782.69
	12%-15%	2 to 3 years	12	1,270.00	-	-
Total			53	20,130.16	10	31,261.20

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

Frequency of Repayment	Interest rate	Original maturity period	As at March 31, 2026		As at March 31, 2025	
			No. of instalments *	Amount	No. of instalments *	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	56	10,232.12	64	13,503.90
	10%-12%	2 to 3 years	-	-	55	3,478.92
	12%-15%	Upto 2 years	11	789.99	2	237.65
	12%-15%	2 to 3 years	-	-	23	1,648.72
Quarterly repayment schedule	10%-12%	2 to 3 years	2	374.63	6	1,119.31
	12%-15%	2 to 3 years	-	-	-	-
Total			69	11,396.74	150	19,988.49

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

Frequency of Repayment	Interest rate	Original maturity period	As at March 31, 2026		As at March 31, 2025	
			No. of instalments *	Amount	No. of instalments *	Amount
Monthly repayment schedule	10%-12%	Upto 2 years	-	-	-	-
	10%-12%	2 to 3 years	82	5,047.26	222	12,934.62
	12%-15%	Upto 2 years	-	-	51	4,538.93
	12%-15%	2 to 3 years	168	12,552.19	61	4,714.63
Quarterly repayment schedule	10%-12%	2 to 3 years	2	200.93	-	-
	12%-15%	2 to 3 years	3	1,053.26	20	6,341.22
Total			255	18,853.64	354	28,529.40

*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.

18.3 Reconciliation of Financing Activity

Particulars	As at March 31, 2025	Cash flow			Adjustments			As at March 31, 2026
		Additions	Payment	Lease payments	Interest expenses on lease liability & Additions	Upfront fees and amortisation	Termination of Lease	
Debt securities	31,261.11	7,770.00	(19,109.00)	-	-	208.05	-	20,130.16
Borrowings (other than debt securities)	48,517.83	18,800.00	(37,084.63)	-	-	17.16	-	30,250.37
Lease liability	148.49	-	-	(87.55)	37.26	-	(6.93)	91.27
Total liabilities from financial activities	79,927.43	26,570.00	(56,193.63)	(87.55)	37.26	225.22	(6.93)	50,471.80

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	(15,428.08)	-	-	(3.30)	-	31,261.11
Borrowings (other than debt securities)	61,048.53	27,500.00	(40,060.20)	-	-	29.51	-	48,517.83
Lease liability	136.62	-	-	(68.90)	85.31	-	(4.54)	148.49
Total liabilities from financial activities	95,377.64	40,000.00	(55,488.28)	(68.90)	85.31	26.21	(4.54)	79,927.43

19 Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Payable towards Co-lending and assignment transactions	750.99	1,337.44
FLDG invoked payable	343.78	237.36
Service obligation against EIS	47.42	526.00
Lease liabilities (Refer Note No. 40)	91.27	148.49
Security deposit from partners	42.45	149.24
Insurance premium payable	27.61	4.80
Payable to employees	100.02	79.55
Bonus payable	161.59	300.00
Total	1,565.12	2,782.89

20 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<u>For employee benefits</u>		
Gratuity (Refer note- 37)	-	51.81
Employees' Stock Option Plan (ESOP & Cash settled) (Refer Note No.49)	725.34	1,095.43
<u>Others</u>		
Provision on financial guarantee liability	-	781.25
Total	725.34	1,928.49

21 Other non-financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	160.07	257.16
Others (Credits pending reconciliation)	177.62	-
Total	337.68	257.16

Particulars	As at	As at
	March 31, 2026	March 31, 2025
22 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
1,50,00,000 Series B1 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - 1,50,00,000)	1,500.00	1,500.00
2,50,00,000 Series B2 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - 2,50,00,000)	2,500.00	2,500.00
6,70,00,000 Series B3 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - 6,50,00,000)	6,700.00	6,500.00
7,50,00,000 Series B4 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - Nil)	7,500.00	-
5,00,00,000 Series B5 Compulsory Convertible Preference Share of ₹ 10 /-each (PY - Nil)	5,000.00	-
Total authorised capital	61,270.00	48,570.00
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 15,09,07,193 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 - 1,42,80,739)	1,428.07	1,428.07
2,01,86,059 Series B2 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - 2,01,86,059)	2,018.61	2,018.61
6,69,40,002 Series B3 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - 6,49,40,002)	6,694.00	6,494.00
7,50,00,000 Series B4 Compulsory Convertible Preference Share of ₹ 10/-each fully paid up (PY - Nil)	7,500.00	-
5,00,00,000 Series B5 Compulsory Convertible Preference Share of ₹ 10 /-each fully paid up (PY - Nil)	5,000.00	-
Total	47,152.98	34,452.98
Total equity share capital	62,243.70	49,543.69

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, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the year	15,09,07,193	15,090.72	15,09,07,193	15,090.72
Issued during the year	-	-	-	-
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		As at March 31, 2026		As at March 31, 2025	
Particulars	No. of Shares	Amount	No. of Shares	Amount	
Outstanding at the beginning of the year	34,45,29,755	34,452.98	24,51,22,955	24,512.30	
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)	20,00,000	200.00	6,49,40,002	6,494.00	
Issued during the year (Series B4)	7,50,00,000	7,500.00	-	-	
Issued during the year (Series B5)	5,00,00,000	5,000.00	-	-	
Outstanding at the end of the year	47,15,29,755	47,152.98	34,45,29,755	34,452.98	

d. Equivalent number of Equity shares

Particulars	As at	As at
	March 31, 2026	March 31, 2025
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	1,29,29,675
Series B2 Compulsorily Convertible Preference Shares	3,42,81,127	3,42,81,127
Series B3 Compulsorily Convertible Preference Shares	6,69,40,002	6,49,40,002
Series B4 Compulsorily Convertible Preference Shares	7,50,00,000	-
Series B5 Compulsorily Convertible Preference Shares	5,00,00,000	-
Outstanding at the end of the year	38,70,65,264	26,00,65,264

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, 2026		As at March 31, 2025		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Estate of late Mr. Ratan Naval 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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, 2026		As at March 31, 2025		% 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%	1,39,32,428	97.56%	0.00%
2	Mr. Naveen Kukreja	3,48,311	2.44%	3,48,311	2.44%	0.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B2

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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%	65,43,677	32.42%	0.00%
2	Rabo Partnerships B.V.	21,59,413	10.70%	21,59,413	10.70%	0.00%
3	Mr. Kewal Krishan Nohria	15,76,789	7.81%	15,76,789	7.81%	0.00%
4	Mr. Ajay Kumar Aggarwal	31,53,580	15.62%	31,53,580	15.62%	0.00%
5	Mr. Rajat Goenka	15,76,789	7.81%	15,76,789	7.81%	0.00%
6	SAK Industries Private Limited	15,76,789	7.81%	15,76,789	7.81%	0.00%
7	IDH Farmfit Fund B.V.	35,99,022	17.83%	35,99,022	17.83%	0.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B3

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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	74.69%	5,00,00,000	76.99%	-
2	Rabo Partnerships B.V.	56,02,501	8.37%	56,02,501	8.63%	-
3	IDH Farmfit Fund B.V.	93,37,501	13.95%	93,37,501	14.38%	-
4	Mr. Kewal Krishan Nohria	20,00,000	2.99%	-	-	100.00%

Compulsorily Convertible Preference shares ₹ 10 each - Series B4

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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	7,50,00,000	100.00%	-	-	1.00

Compulsorily Convertible Preference shares ₹ 10 each - Series B5

S. No.	Name of the Shareholder	As at March 31, 2026		As at March 31, 2025		% 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	100.00%	-	-	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, B4, B5 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,B4,B5 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, 2026		As at March 31, 2025		% Change during the year
		Number of Shares	% of Total Shares	Number of Shares	% of Total Shares	
1	Estate of late Mr. Ratan Naval 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	13,12,86,747	87.00%	13,12,86,747	87.00%	-

23 Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
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	17,689.51	10,687.71
Add : Securities premium credited on share issue		
- Series B1 CCPS	-	2,671.93
- Series B2 CCPS	-	4,382.39
Less: Issue Expenses	(62.52)	(52.52)
Closing balance	17,626.99	17,689.51
ESOP Reserve		
Opening balance	423.02	239.08
Add: Employee stock option compensation for the year	209.12	183.94
Less: Balance transferred to retained earnings	-	-
Less: Premium on exercise of stock options	-	-
Closing balance	632.14	423.02
Other comprehensive income (Remeasurement of defined benefit Liability)		
Opening balance	(30.31)	(14.72)
Add: Transfer from Statement of Profit and Loss on account of :		
-Actuarial loss on retirement benefits	77.07	(15.59)
Closing balance	46.76	(30.31)
Retained earnings		
Opening balance	(36,605.87)	(24,483.79)
Add : Net profit/(net loss) for the current year	(16,570.60)	(12,122.08)
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	-	-
Dividend for preference shares	-	-
Total appropriations	-	-
Retained earnings	(53,176.47)	(36,605.87)
Total Other equity	(34,870.58)	(18,523.65)

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, if any.

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on loans	16,910.66	25,768.43
Interest income on deposits	359.76	443.42
Other Interest income	3.63	6.90
Total	17,274.05	26,218.74

25 Fees and commission income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Service fees income	4,318.05	5,412.54
Total	4,318.05	5,412.54

26 Net gain on fair value changes

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on financial instruments at fair value through profit or loss		
- Investments		
Gain on sale of mutual funds	274.68	501.82
Gain on fair valuation of investment in mutual funds		-
Total	274.68	501.82
Fair value changes:		
- Realised	274.68	501.82
- Unrealised		-
Total	274.68	501.82

27 Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on de-recognition of loan assets under amortised cost category	473.30	317.64
Total	473.30	317.64

28 Other operating income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Management consultancy fees	524.27	517.80
Recoveries:		
FLDG recovery - co-lending	59.46	220.41
Recovery from guarantors	-	762.04
Recoveries against FLDG invoked	2,607.27	3,974.18
Write off recovery	1,008.61	1,120.98
Insurance receipts on loans which were written off	99.34	89.08
Total	4,298.96	6,684.49

29 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gain on lease termination	0.53	0.04
Provision/credit balances no longer required written back	-	309.51
Profit on Sale of Assets	0.20	-
Other miscellaneous income	0.26	12.96
Total	0.99	322.51

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on debt securities		
- Debentures	3,314.58	4,145.81
Interest on borrowings (other than debt securities)	4,534.66	6,619.53
Interest on lease liability	16.69	14.35
Other charges	65.52	2.36
Total	7,931.45	10,782.05

31 Fee and commission expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Fees and Commission expenses	9,032.77	11,778.19
Total	9,032.77	11,778.19

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Portfolio loans written off	11,884.63	12,581.31
Impairment allowance/ (reversal) on portfolio loans	(2,378.76)	1,527.26
Impairment loss allowance on Security Receipts	1,960.84	-
Impairment loss allowance on Receivables and Other assets	533.86	-
Receivables and Other assets written off	304.37	-
Loss allowance for financial guarantee	2,270.97	3,580.26
Total	14,575.92	17,688.83

33 Employee benefits expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, other allowance and bonus	3,821.57	3,498.88
Contribution to provident and other funds*	132.85	92.04
Share based payment to employees (Refer Note No. 49)	(160.96)	471.79
Gratuity expenses *	23.48	97.10
Recruitment Expenses	5.50	27.25
Staff welfare expenses	180.54	126.62
Total	4,002.98	4,313.68

* (For detailed information refer note - 37)

34 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
On Property, plant and equipment	46.78	51.69
On Intangible assets	1,083.18	412.32
On Right of use assets	83.58	63.34
Total	1,213.55	527.35

35 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Legal, consultancy and professional expenses	3,281.82	2,399.37
Hosting and licensing fees	2,227.88	2,910.17
Payments to auditors	54.20	46.38
Stamp duty and filing fees	6.64	7.46
Business promotion expenses	85.13	246.15
Sitting fees	44.01	35.15
Travelling, conveyance and food expenses	117.63	184.75
Lodging and boarding expenses	54.49	78.44
Guarantee fees	-	131.63
Membership and subscription fees	134.27	97.84
Office Expenses	179.01	48.21
Bank charges	30.77	140.53
Rent on office premises (Refer Note No. 40)	37.68	31.88
Balances written off	162.53	69.69
Miscellaneous expenses	37.89	62.05
Total	6,453.96	6,489.70

***Auditor's fees and expenses comprises of:**

As Auditor:		
- Audit fees	33.01	32.05
- Tax audit fees	5.08	4.91
- Limited review	11.84	7.63
- Out of pocket expenses	2.53	0.70
In any other manner:	-	-
- Certification	1.74	1.09

36 Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net profit for the year for basic EPS	(16,570.60)	(12,122.08)
Dilutive impact of compulsorily convertible debentures	-	-
Net profit for the year for diluted EPS	(16,570.60)	(12,122.08)
Nominal value of equity share (in ₹)	10.00	10.00
Weighted-average number of equity shares for basis earnings per share	1,509.07	1,509.07
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	1,509.07
Basic earnings per equity share (in ₹)	(10.98)	(8.03)
Diluted earnings per equity share (in ₹)*	(10.98)	(8.03)

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

37 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 ₹ 132.20 Lakhs for the year ended March 31, 2026 (March 31, 2025: ₹ 91.49 Lakhs) for Provident Fund contributions and ₹ 0.65 Lakhs for the year ended March 31, 2026 (March 31, 2025: ₹0.55 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, 2026	As at March 31, 2025
Gratuity liability/(Asset)	(44.84)	51.81

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

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity	23.48	97.10

Expense recognised through OCI is as under:

Particulars	As at March 31, 2026	As at March 31, 2025
Gratuity	(77.07)	15.59

Disclosure for gratuity

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Components of net gratuity cost charged to Statement of Comprehensive Income		
Current service cost	53.41	34.26
Past service cost	20.93	-
Interest expense	13.55	10.11
Interest (income) on plan assets	(10.40)	(8.13)
Addition to Fund written off earlier now accounted	(54.00)	-
Transfer out	-	-
Actuarial loss/(gain) recognised during the year	(77.07)	15.59
Total	(53.59)	51.83

Movement in the present value of defined benefit obligation recognised in the balance sheet	For the year ended March 31, 2026	For the year ended March 31, 2025
Present value of defined benefit obligation at the beginning of the year	204.76	143.13
Current service cost	53.41	34.26
Past service cost	20.93	-
Interest cost	13.55	10.11
Benefits paid	(36.21)	-
Actuarial (gain)/ loss	(74.67)	17.26
Defined benefit obligation at the end of the year	181.76	204.76
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	152.95	112.56
Interest income	-	-
Addition to Fund	60.85	-
Employer direct benefits payments	-	30.58
Benefits Paid	-	-
Benefits Paid from the fund	-	-
Return on plan assets excluding interest income	12.80	9.80
Fair value of plan assets end of the year	226.60	152.95

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, 2026	For the year ended March 31, 2025
Present value of funded obligation as at the end of the year	181.76	204.76
Fair value of plan assets as at the end of the year	(226.60)	(152.95)
Funded net liability/(asset) recognized in balance sheet	(44.84)	51.81
Principal assumptions used in determining gratuity liability are shown below:	As at March 31, 2026	As at March 31, 2025
Rate of discounting	7.06%	6.80%
Expected rate of salary increase	5.00%	10.00%
Rate of employee turnover	10.00%	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, 2026	As at March 31, 2025
Year 1	17.59	7.40
Year 2	34.30	8.73
Year 3	16.54	26.89
Year 4	17.56	9.76
Year 5	28.82	25.37
Between 6 to 10 years	73.13	72.94
Above 10 years	129.18	391.90
Total expected payments	317.12	542.99

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount Rate		
Decrease by 50 Basis points	187.56	216.51
Increase by 50 Basis points	(176.30)	(194.05)
Salary Increase Rate		
Decrease by 50 Basis points	(177.38)	(198.03)
Increase by 50 Basis points	186.20	211.60

38 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, 2026			As at March 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,332.27	-	10,332.27	22,524.21	-	22,524.21
Bank balance other than cash and cash equivalents	3,760.99	116.31	3,877.30	3,002.82	-	3,002.82
Trade Receivables	1,485.91	-	1,485.91	1,008.44	-	1,008.44
Other receivables	160.62	-	160.62	376.47	-	376.47
Loans	40,832.23	12,167.65	52,999.88	49,633.3	30,537.59	80,170.88
Investments	2,210.11	2,065.43	4,275.54	-	-	-
Other financial assets	2,044.54	39.59	2,084.13	2,730.18	36.24	2,766.42
Non-financial assets						
Current Tax asset	1,037.52	-	1,037.52	652.25	-	652.25
Property, plant and equipment	-	59.49	59.49	-	99.99	99.99
Right of use asset	-	83.58	83.58	-	144.54	144.54
Goodwill	-	747.32	747.32	-	747.32	747.32
Other intangible assets	-	3,356.85	3,356.85	-	4,440.03	4,440.03
Other non-financial assets	1,104.40	326.14	1,430.54	1,298.68	-	1,298.68
Total assets	62,968.59	18,962.36	81,930.95	81,226.37	36,005.70	1,17,232.06
Liabilities						
Financial liabilities						
Trade payables	1,549.16	-	1,549.16	1,464.53	-	1,464.53
Debt securities	19,638.91	491.25	20,130.16	18,957.59	12,303.51	31,261.11
Borrowings (other than debt securities)	23,600.66	6,649.71	30,250.37	33,486.42	15,031.42	48,517.84
Other financial liabilities	1,544.47	20.65	1,565.12	2,708.13	74.76	2,782.89
Non-financial liabilities						
Provisions	683.51	41.83	725.34	1,006.54	921.95	1,928.49
Other non-financial liabilities	337.68	-	337.68	257.16	-	257.16
Total liabilities	47,354.38	7,203.45	54,557.83	57,880.37	28,331.64	86,212.01

Notes:

All borrowings are disclosed based on the contractual maturities.

Breach of Covenants during the year-

- 1) The Holding Company should maintain minimum tangible networth of ₹ 22,500 Lakhs for Listed NCD having ISIN: INE0BNQ07113 which is breached by the company and also got the waiver against the breach on August 12, 2025.
- 2) The Holding Company should ensure that the credit rating of the company issued /provided by the Rating Agency for unlisted NCD having ISIN: INE0BNQ07105 is not downgraded below "BBB+" where Breach will give additional step-up interest to the holders . The rating has been downgraded to "BBB stable" from "BBB+ stable" during the year upon which company is paying additional interest in line with the terms of the NCD.

39 Contingent liabilities, commitments**(A) Contingent liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
In respect of GST tax demands/ notices where the holding Company has filed an appeal with relevant authority	151.35	151.35
In respect of demand raised by GST authorities against subsidiary company for matters relating to wrong availment of Input tax credit for FY 2020-21, 2021-22 and 2022-23, against which appeal has been filed and ₹ 8.43 Lakhs has been paid under protest.	92.82	92.82
Total	244.17	244.17

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, 2026	As at March 31, 2025
Commitment towards development of Software Platform	-	3,200.00
Commitment towards Loans sanctioned before Balance sheet date but not disbursed	31.54	121.93

40 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, 2026	As at March 31, 2025
Opening lease liabilities	148.49	136.62
Addition to lease liabilities during the year	20.57	70.96
Interest expense on lease liabilities	16.69	14.35
Termination of lease	(6.93)	(4.54)
Cash outflow for leases	(87.55)	(68.90)
Closing lease liabilities	91.27	148.49

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening value of right of use assets	144.54	139.54
Addition to lease assets during the year	29.03	72.86
Deductions/Adjustments	(6.40)	(4.52)
Less: Depreciation charge for the year	(83.58)	(63.34)
Closing value of right of use assets	83.58	144.54

Amounts recognised in Statement of profit or loss

Particulars	As at March 31, 2026	As at March 31, 2025
Amortisation of right of use assets	83.58	63.34
Interest on lease liabilities	16.69	14.35
Total	100.28	77.69

Amounts recognised in the Statement of cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Interest paid on lease liabilities	16.69	14.35
Payment towards lease liabilities	87.55	68.90
Total	104.24	83.25

Maturity analysis of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Within one year	70.62	73.72
After one year but not more than five years	20.65	74.76
More than five years	-	-
Total	91.27	148.49

Avanti Finance Private Limited

CIN: U64920KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

41 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
Estate of late Mr. Ratan Naval Tata	Non-executive Director (upto 9 October 2024)
Mr. Nandan Mohan Nilekani	Non-executive Director
Dr. Vijay Laxman Kelkar	Non-executive Director
Ms. Bindu Ananth	Non-executive Director
Mr. Subramaniam Somasundaram	Independent Director
Ms. Sukanya Kripalu	Independent Director
Mr. Jeroen Bart Nicolaas Meerburg	Non-executive Director
Ms. Roopa Satish	Non-executive Director (w.e.f. 30 April 2025)
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 Prafulla 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, 2026	As at March 31, 2025
NRJN Family Trust	Issue of CCPS	12,500.00	7,075.00
Independent Directors	Director Sitting fees	42.51	26.33
Key managerial personnel	Remuneration, reimbursements and Others *	575.41	705.57

* 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, 2026	As at March 31, 2025
NRJN Family Trust	Equity share capital	13,128.67	13,128.67
Dr. Vijay Kelkar	Equity share capital	87.46	87.46
Estate of late Mr. Ratan Naval Tata	Equity share capital	1,687.09	1,687.09
NRJN Family Trust	Compulsorily Convertible Preference shares	21,175.00	8,675.00
Key managerial personnel	Equity share capital	7.50	7.50

42 Fair value measurement**42.1 Financial assets and liabilities**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets measured at fair value through P&L		
Investments in security receipts	4,275.54	-
Financial assets measured at fair value through OCI		
Financial assets measured at amortised cost		
Cash and cash equivalents	10,332.27	22,524.21
Bank balance other than cash and cash equivalents	3,877.30	3,002.82
Trade Receivables	1,485.91	1,008.44
Other receivables	160.62	376.47
Loans	52,999.88	80,170.88
Other financial assets	2,084.13	2,766.42
Total	75,215.65	1,09,849.26

Particulars	As at March 31, 2026	As at March 31, 2025
Financial liabilities measured at amortised cost		
Trade payables	1,549.16	1,464.53
Debt securities	20,130.16	31,261.11
Borrowings (other than debt securities)	30,250.37	48,517.84
Other financial liabilities	1,565.12	2,782.89
Total	53,494.81	84,026.37

42.2 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).

42 Fair value measurement (cont'd)**42.3 Financial assets and liabilities measured at fair value - as at the balance sheet date**

As at March 31, 2026	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Security receipts	-	-	4,275.54	4,275.54
As at March 31, 2025	Level-1	Level-2	Level-3	Total
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Security receipts	-	-	-	-

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.

42.4 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, 2026		As at March 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and cash equivalents	10,332.27	10,332.27	22,524.21	22,524.21
Bank balance other than cash and cash equivalents	3,877.30	3,877.30	3,002.82	3,002.82
Trade Receivables	1,485.91	1,485.91	1,008.44	1,008.44
Other receivables	160.62	160.62	376.47	376.47
Loans (measured at amortised cost)	52,999.88	52,999.88	80,170.88	80,170.88
Other financial assets	2,084.13	2,084.13	2,766.42	2,766.42
Total financial assets	70,940.11	70,940.11	1,09,849.26	1,09,849.26
Financial liabilities:				
Trade payables	1,549.16	1,549.16	1,464.53	1,464.53
Debt securities	20,130.16	20,130.16	31,261.11	31,261.11
Borrowings (other than debt securities)	30,250.37	30,250.37	48,517.84	48,517.84
Other financial liabilities	1,565.12	1,565.12	2,782.89	2,782.89
Total financial liabilities	53,494.81	53,494.81	84,026.37	84,026.37

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.

43 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.

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 unlikeliness 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.

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 and other receivables

The Company measures expected credit losses (ECL) on trade and other receivables at each reporting date in accordance with Ind AS 109. The methodology applied based on the nature of the receivable is below.

1) FLDG Invoked and Receivable:

ECL on receivables relating to First Loss Default Guarantee (FLDG) invoked is assessed using an internal multi-factor model. Each lending partner is assigned a ranking based on a weighted evaluation of financial strength, bureau score and vintage, with the provision rate varying with the ranking assigned. This base provision is further adjusted for the ageing of the outstanding, the recovery status of the receivable (including any disputes or payment arrangements), and the partner's recent payment behaviour. Historical trends of collection from counterparties on timely basis and availability of security from the counter parties reflects low level of credit risk. Considering above factors and after considering the cash collateral / fixed deposit as collateral covering the outstanding, the ECL is computed.

2) Other receivables:

For other receivables, including trade receivables, ECL is computed using a provision matrix that combines the ageing of the receivable with a credit quality overlay derived from the counterparty's external credit rating (CRISIL, ICRA, CARE or India Ratings) or, where no public rating is available, from an internal scoring assessment. The provision rate increases with the period of overdue, reflecting the higher probability of default over time. Receivables meeting the criteria for Significant Increase in Credit Risk (SICR) are subject to lifetime ECL, and amounts outstanding beyond one year are considered for write-off.

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.

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, 2026	As at March 31, 2025
Maximum exposure to credit risk	55,958.77	85,508.53

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 liabilities as on March 31, 2026:

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	1,549.16	-	-	-	-	1,549.16
Other payables	-	-	-	-	-	-
Borrowings & debt Securities	8,093.35	35,146.23	7,140.96	-	-	50,380.54
Other financial liabilities	1,473.85	-	-	-	-	1,473.85
Lease liabilities	24.62	46.00	20.65	-	-	91.27
Total undiscounted financial liabilities	11,140.98	35,192.23	7,161.61	-	-	53,494.81

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

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, 2026	For the year ended March 31, 2025
Impact on profit before tax of 100 bps increase in interest rate	(503.81)	(797.79)
Impact on profit before tax of 100 bps Decrease in interest rate	503.81	797.79

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.

vii. Country risk

The Company does not have any exposure to overseas assets, including foreign subsidiaries, joint ventures, or cross-border lending. Accordingly, country risk is not applicable to the Company as at the reporting date.

viii. Derivative risk

The Company has not engaged in any derivative transactions, including forward rate agreements, interest rate swaps, or exchange-traded interest rate derivatives, during the years ended March 31, 2026 and March 31, 2025. Accordingly, Derivative risk is not applicable to the Company as at the reporting date.

44 Segment reporting

The Group 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 Group operates primarily in India and there is no other geographical segment.

45 Details of CSR expenses

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

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

Particulars	As at March 31, 2026	As at March 31, 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	12.36	72.18
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.	-	-

47 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 ended March 31, 2026 and year ended March 31, 2025.

Sl. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Number of Loans	2,380	46,034
2	Aggregate amount (in ₹ Lakhs)	837.01	9,517.00
3	Sale consideration (in ₹ Lakhs)	753.31	8,577.00
4	Number of Transactions	1	2
5	Weighted average remaining Maturity(In months)	13.20	13.00
6	Weighted average holding period after Origination(In months)	24.69	24.00
7	Retention of beneficial economic interest	10.00%	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 ended March 31, 2026 and year 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, 2026	For the year ended March 31, 2025
1	Number of Loans	-	15,853
2	Aggregate amount	-	6,859.82
3	Sale consideration	-	5,487.86
4	Number of Transactions	-	15,853
5	Weighted average remaining Maturity(In months)	-	24
6	Weighted average holding period after Origination(In months)	-	24
7	Retention of beneficial economic interest	-	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

47.1 Details of Loans not in default acquired through Direct assignment during the year ended March 31, 2026 and year ended March 31, 2025.

S. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Number of Loans	2,695	3,618
2	Aggregate amount (in ₹ Lakhs)	762.73	801.62
3	Sale consideration (in ₹ Lakhs)	762.73	801.62
4	Number of Transactions	3	2
5	Weighted average remaining Maturity(In months)	10.44	9.25
6	Weighted average holding period after Origination(In months)	19.75	17.82
7	Retention of beneficial economic interest	10.00%	10.00%
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

47.2 Details of Loans not in default acquired during the year (other than direct assignment)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
1	Number of Loans	8,185	-
2	Aggregate amount (in ₹ Lakhs)	1,374.28	-
3	Sale consideration (in ₹ Lakhs)	1,415.75	-
4	Number of Transactions	1.00	-
5	Weighted average remaining Maturity(In months)	8.25	-
6	Weighted average holding period after Origination(In months)	7.27	-
7	Retention of beneficial economic interest	-	-
8	Coverage of tangible Security Coverage	NA	-
9	Rating wise distribution of rated loans	NA	-
10	Number of instances (transactions) where transferred as agreed to replace the transferred loans	NA	-
11	Number of transferred loans replaced	NA	-

47.3 Details of financial assets acquired from securitisation/ reconstruction company for asset reconstruction

There are no loans acquired during the during the year ended 31 March 2026 and during the year ended 31 March 2025.

47.4 Details of stressed loans transferred during the year**i) Details of stressed loans transferred during the year ended 31st March 2026 which are classified as SMA and NPA**

Sl. No.	Particulars	To ARCs	To permitted transferees	To other transferees
1	No. of accounts			
	Loans classified as SMA	9,362	221	-
	Loans classified as NPA	10,335	895	-
	Loans written off	95,574	-	-
2	Aggregate principal outstanding of loans transferred (in ₹ Lakhs)			
	Loans classified as SMA	4,748.08	4.31	-
	Loans classified as NPA	2,190.00	23.74	-
	Loans written off	23,160.35	-	-
3	Aggregate value (net of provisions) of accounts sold (in ₹ Lakhs)	4,435.41	15.98	-
4	Aggregate consideration (in ₹ Lakhs)	7,525.00	32.11	-
5	Weighted average residual tenure of the loans transferred (in months)	3.58	6.61	-
6	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
7	Investment in Security Receipts (Gross) (in ₹ Lakhs)*	6,396.25	-	-

* No Rating has been assigned against the SR being held by Company

ii) Details of stressed loans transferred during the year ended 31 March 2025 which are classified as SMA and NPA - Nil**iii) Details of stressed loans acquired during the year which are classified as SMA and NPA.**

a) From ARC - Nil during the year ended 31 March 2026 and year ended 31 March 2025

b) From Scheduled Commercial Banks, Regional Rural Bank, Co-operative Banks, All India Financial Institutions, Small Finance Banks and Non-Banking Finance Companies including Housing Finance Companies

Sl. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
1	Aggregate principal outstanding of loans acquired (Including interest accrued)	377.25	30.05
2	Aggregate consideration paid	377.25	30.05
3	Weighted average residual tenor of the loans acquired	6.65	1.69

48 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, 2026		As at March 31, 2025	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
Parent Company:				
Avanti Finance Private Limited	108.24%	29,629.81	107.52%	33,353.44
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	3.46%	947.61	2.83%	877.29
Less : Adjustments of elimination for consolidation	-11.71%	(3,204.30)	-10.35%	(3,210.68)
Group Consolidated value	100.00%	27,373.12	100.00%	31,020.05

Name of the entity in the Group	Share in profit or loss (Other than OCI)			
	As at March 31, 2026		As at March 31, 2025	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent Company:				
Avanti Finance Private Limited	100.46%	(16,647.31)	100.62%	(12,197.68)
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	-0.42%	70.32	-0.63%	76.19
Less : Adjustments for elimination of consolidation	-0.04%	6.38	0.00%	(0.59)
Group Consolidated value	100.00%	(16,570.60)	100.00%	(12,122.08)

Name of the entity in the Group	Share in other Comprehensive income			
	As at March 31, 2026		As at March 31, 2025	
	As % of consolidated other comprehensive Income	Amount	As % of consolidated other comprehensive Income	Amount
Parent Company:				
Avanti Finance Private Limited	100.00%	77.07	100.00%	(15.59)
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%	77.07	100.00%	(15.59)

Name of the entity in the Group	Share in Total Comprehensive income			
	As at March 31, 2026		As at March 31, 2025	
	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company:				
Avanti Finance Private Limited	100.47%	(16,570.24)	100.62%	(12,213.26)
Subsidiary Companies (Indian):				
Avanti Microfinance Private Limited	-0.43%	70.32	-0.63%	76.19
Less : Adjustments for elimination of consolidation	-0.04%	6.38	0.00%	(0.60)
Group Consolidated value	100.00%	(16,493.53)	100.00%	(12,137.67)

49 ESOP Disclosures

ESOPs movement (equity plan)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Option outstanding at the beginning of the year	3,97,91,102	3,86,96,658
Granted during the year	7,88,000	14,17,294
Exercised during the year	-	-
Forfeited during the year	1,86,13,225	3,22,850
Option outstanding at the end of the year	2,19,65,877	3,97,91,102

ESOPs movement (Cash Plan)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Option outstanding at the beginning of the year	2,08,60,000	2,08,60,000
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	65,23,437	-
Option outstanding at the end of the year	1,43,36,563	2,08,60,000

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	3,49,78,995	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

50 Penalties and Strictures

No penalties have been levied by any other regulator on the Group during the year ended March 31, 2026.

51 With reference to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, 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, 2026.

52 Previous year's figures have been regrouped/ reclassified, wherever considered necessary, to conform to the current year's presentation and does not have any impact on the previously reported results.

Avanti Finance Private Limited

CIN: U64920KA2016PTC138355

Notes forming part of the Consolidated financial statements for the year ended March 31, 2026

(All amounts in ₹ Lakhs unless otherwise stated)

53 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, 2026 and March 31, 2025.
- c) The Group has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2026 and March 31, 2025.
- 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.

- 54** 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

K.P. Srinivas
Partner
Membership No.208520

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Bengaluru
18-05-2026

Sushil Thaker
Chief Financial Officer

Urvashi P. Bahirsheth
Company Secretary &CCO
ACS 37475

Bengaluru
18-05-2026

Mumbai
18-05-2026