



Avanti Microfinance Private Limited

Resource Planning Policy

This document was:

Version	Drafted by	Reviewed by	Board approval and adoption date
Version 1	Mr. Ankit Hurkat, VP Finance of the Holding Company	Mr. Sushil Thaker, Chief Financial Officer of the Holding Company	December 16, 2024

Document Classification: Public

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1. SCOPE AND PURPOSE

- 1.1. In this Resource Planning Policy (“**Policy**”), “**we**” or “**us**” or “**our**” means Avanti Microfinance Private Limited (“**Company**”), and includes its executive directors, officers, employees, as the context may require.
- 1.2. In pursuance of direction from the Reserve Bank of India (“**RBI**”), Company has put in place this Policy which inter-alia, covers the planning horizon and the periodicity of private placements of non-convertible debentures (“**NCDs**”) of maturity more than 1 (one) year issued by Company.

2. SOURCES

- 2.1. The resource mobilization shall be in line with the Asset Liability Matching (“**ALM**”) requirement of the Company. It is the endeavour of the Company that the funds are mobilized from a diversified group of sources so that no single lender would have an exposure of more than 75% of the overall funding, unless otherwise specifically required by the Company. This limit will be subject to review by the Company’s Board from time to time.
- 2.2. Broadly, the resource mobilization by the Company may be understood to comprise the following sources:
 - (i) Loans from banks and financial institutions;
 - (ii) Retained earnings;
 - (iii) Issue of NCDs;
 - (iv) Issue of commercial paper; and/or
 - (v) Inter-corporate loans.
 - (vi) Securitisation – Direct assignment or Pass through Certificates
- 2.3. The proportion of the long-term and short-term resources for the Company shall be fixed from time to time based on the business plan for each year approved by the Board of Directors of the Company.
- 2.4. The annual business plan of the Company will reflect the mix/ratio of the above sources in the overall funds of the Company at the start of each financial year, in line with the long-term and short-term requirements of the Company.

3. LONG-TERM RESOURCES

- 3.1. Resources with a maturity of more than 12 months shall be treated as long-term resources.
- 3.2. Borrowings from Banks and Financial Institutions: The Company may plan for raising long-term resources from banks and financial institutions. The major source of funding for the Company as of the date of adoption of this Policy are scheduled commercial banks and larger NBFCs. While these would continue to be the biggest source of capital for meeting its funding requirements, the Company shall endeavour to develop alternative sources of funding from other markets depending on the business requirements.

3.3. Retained Earnings: The Company may plough back its profits in such proportions based on the maintenance of capital adequacy ratio (“**CRAR**”) stipulated by regulations from time to time.

3.4. Issue of Non-Convertible Debentures:

3.4.1. Based on the business requirements of each financial year, the Company may issue NCDs to high net-worth individuals and/or institutions or such other class or category of investors. The timing and the amount of issue shall be decided by the Board or the finance committee and shall be subject to the statutory and regulatory compliances as may be required. The total number of subscribers in each issue shall not exceed the maximum number of subscribers fixed under any of the applicable laws or regulations.

3.4.2. The issue of NCDs may be secured on the assets of the Company (moveable or immovable) in line with the regulatory requirement (as amended from time to time). In the event such NCDs are in the nature of secured debt, the charge shall be registered in accordance with the provisions of the Companies Act, 2013.

3.4.3. The Company shall issue NCDs for the purpose of its own balance sheet only and shall not grant loans against the NCDs.

4. SHORT-TERM RESOURCES

4.1. Resources with a maturity of 12 months and less shall be treated as short-term resources.

4.2. The main sources are bank advances, commercial papers (“**CPs**”), Pass Through certificates, shareholder loans, working capital loan and overdraft facility. Depending on the ALM requirements, the Company may borrow funds from banks and other financial institutions / corporates from time to time and continue to issue CPs with maturity ranging from 1 to 12 months.

4.3. Subject to applicable laws and regulations, the Company may also avail inter-corporate loans which are exempt from the purview of public deposits under the applicable directions of RBI.

5. REGULATORY REFERENCE

Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

6. REVIEW

This Resource Planning Policy comes from the date of approval by the Board and shall be monitored and reviewed periodically by the Board of the Company.