ANNUAL REPORT

AVANTI MICROFINANCE PRIVATE LIMITED

2024-2025

AVANTI MICROFINANCE 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: manish.thakkar@avantimfin.in | Web: www.avantimfin.in
CIN: U65929KA2016PTC138292

NOTICE

NOTICE is hereby given that the 9th (Ninth) Annual General Meeting (the 'Meeting' or 'AGM') of the shareholders of Avanti Microfinance Private Limited will be held via video conference on **Tuesday, July 22, 2025 at 11:00 AM** IST to transact the following business.

ORDINARY BUSINESS

1. **To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto**

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

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto be and hereby considered and adopted.**"**

For Avanti Microfinance Private Limited

Sd/-
Name: Mr. Darshil Mehta
Designation: Company Secretary and CCO
Membership No.: ACS 61030

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: June 27, 2025

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. 20/2020 DATED 05.05.2020, GENERAL CIRCULAR NO. 02/2021 DATED 13.01.2021, GENERAL CIRCULAR NO. 19/2021 DATED 08.12.2021, 21/2021 DATED 14.12.2021, GENERAL CIRCULAR NO.10/2022 DATED 28.12.2022 AND 09/2023 DATED 25.09.2023 AND 09/2024 DATED 19.09.2024.

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

a) Participation:

i. Pursuant to the general circular issued by Ministry of Corporate Affairs, the physical presence of the Members has been dispensed with and therefore the appointment of Proxy(ies) is not permitted. However, in pursuance of section 112 and 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose voting through remote e-voting or for participation and voting in the meeting. The Corporate Shareholders proposing to participate at the meeting through their representative, may forward the necessary authorization under Section 113 of the Act for such representation to the Company through e-mail to darshil.mehta@avantifinance.in before the commencement of the meeting.

ii. The Members are requested to use the following link details to join the meeting via video conference: <Link to be inserted>

iii. For ease of participation of the Members, during the meeting, members may post questions during and also, before the meeting, by writing to darshil.mehta@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 Company Secretary at 9029158885.

vi. In order to ensure the smooth participation, the Members, Directors, Key Managerial Personnel and all other persons authorized to attend the meeting are requested to ensure that the device used for attending the meeting through video conferencing has strong internet signal/ network.

b) Voting:

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: darshil.mehta@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 of the Company for the Financial Year ended March 31, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	√	

Example 2: Using number of shares held.

Item no. of agenda	Assent	Dissent
1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto	100	

c) Other instructions/ information:

i. Members are requested to address all communications through their registered e-mail id only.

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

iii. This notice will also be made available on the website of the Company.

iv. In case of any doubts or clarification, the members are requested to contact Mr. Darshil Mehta through e-mail: darshil.mehta@avantifinance.in.

v. The documents related to matters set out in the notice can be requested via email by writing to the Company Secretary at darshil.mehta@avantifinance.in on all working days up to and including the date of this Annual General meeting of the Company.

For Avanti Microfinance Private Limited

Sd/-
Name: Mr. Darshil Mehta
Designation: Company Secretary and CCO
Membership No.: ACS 61030

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: June 27, 2025

DIRECTORS' REPORT

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

The Directors are pleased to present the Nineth Annual Report with the Audited Financial Statements of the Company for the year ended on March 31, 2025.

1. FINANCIAL RESULTS:

Particulars	(Rupees in INR) For the year ended March 31, 2025	(Rupees in INR) For the year ended March 31, 2024
Revenue from Operations	**1,73,54,995**	**1,22,49,217**
Other Income	-	-
Total Income	**1,73,54,995**	**1,22,49,217**
Total Expenses	**1,17,33,887**	**51,15,995**
Profit/(Loss) before Tax	**76,19,477**	**71,33,505**
Provision for Taxation (net)	-	-
Profit/(Loss) after Tax	**76,19,477**	**71,33,505**

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

During the year under review, the Company had received assigned assets worth INR 3,39,99,707/- on March 31, 2025 from Avanti Finance Private Limited.

Your Company earned a total revenue of INR 1,73,54,995/- from its operations and net profit after tax amounting to INR 76,19,477/-

3. DIVIDEND:

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

4. AMOUNT TRANSFERRED TO RESERVES:

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

5. DETAILS RELATING TO DEPOSITS AND UNSECURED LOANS:

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

6. CHANGES IN SHARE CAPITAL:

Authorised share capital:

During the year under review, the authorised share capital of the Company was INR 40,00,00,000/- divided into 4,00,00,000 equity shares of INR 10/- each.

Paid-up share capital:

The paid-up share capital of the Company as on March 31, 2025 was INR 39,51,61,070/- divided into 3,95,16,107 equity shares of face value of INR 10/- each.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have or had any subsidiary, joint venture and associate company for the year under review.

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

During the year under review, your Company has not provided any loans, guarantees or made any investment.

9. 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.

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

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

11. DIRECTORS, KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes in the Board composition and Key Managerial Personnel.

12. MEETING OF BOARD OF DIRECTORS:

During the Financial year 2024-25, 4 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
1.	April 29, 2024	3	3	100
2.	August 24, 2024	3	3	100
3.	December 16, 2024	3	3	100
4.	March 31, 2025	3	3	100

Sr. No.	Name of the Director	Board Meetings			Committee Meetings (Taking all the Committee Meetings together of which a Director is a member)			Whether attended last AGM held on September 27, 2024 (Y/N)
		No. of Meeting Held	No. of Meeting attended	% of attendance	No. of Meeting Held	No. of Meeting attended	% of attendance	
1.	Mr. Rahul Gupta	4	4	100%	2	2	100%	N
2.	Mr. Manish Thakkar	4	4	100%	2	2	100%	Y
3.	Mr. Nagaraj Subrahmanya	4	4	100%	2	2	100%	Y

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

13. PARTICULARS OF EMPLOYEES:

During the year under review, your Company had no employees on its payroll. The role of Company Secretary is filled by an individual who is an employee of the holding company, Avanti Finance Private Limited. Your Company being a private limited company, the provisions contained in section 196(4) and (5), section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

14. PREVENTION OF SEXUAL HARASSMENT:

The Company has approved and adopted a robust Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, since your Company has only 1 employee, no Internal Complaints Committee has been constituted. Further, there was no case filed pursuant to the said Act.

15. RISK MANAGEMENT POLICY:

Your Company during the year under review had implemented robust checks and balances that align with industry best practices, ensuring effective governance and risk management. These protocols are designed to safeguard operational integrity and promote compliance with regulatory standards. Furthermore, the Company's policies are seamlessly integrated with those of its holding company, Avanti Finance Private Limited, fostering a cohesive framework that supports consistency in decision-making and strategic alignment.

16. COMPLIANCE OF SECRETARIAL STANDARDS:

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

17. MAINTENANCE OF COST RECORDS:

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

18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

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

The Company has in place adequate internal financial controls with reference to financial statements for the year ended March 31, 2025, which is commensurate with the size, scale and complexity of its operation.

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

There is no qualification or adverse remarks in the Auditor's report for the year under review. Therefore, there is no requirement of any explanation/comments to be provided in the Director's report.

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

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 P V Menon & Associates, Chartered Accountants (Firm registration number 002066S) 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.

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

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

23. EXTRACT OF ANNUAL RETURN:

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

24. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm and state that:

a) In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards, have been followed along with proper explanation relating to material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the loss of the Company for year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis; and

e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

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

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

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

3. Composition of Audit Committee, Nomination and Remuneration Committee and their policies.

4. Statement on declaration by an Independent Director(s).

5. Establishment of vigil mechanism.

6. Issue of equity shares under employee stock options scheme.

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

8. Issue of shares (Including sweat equity shares) to employees of the Company under any scheme.

9. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

11. Details in respect of frauds reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

12. Change in the nature of business of the Company.

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

14. 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.

26. ACKNOWLEDGEMENT

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

On behalf of Board of Directors
Avanti Microfinance Private Limited

S. Nagaraj

Mr. Nagaraj Subrahmanya
Director
DIN: 06906928
Date: May 27, 2025
Place: Bengaluru

Avanti Microfinance Private Limited

Thakkar

Mr. Manish Thakkar
Director
DIN: 03233206
Date: May 27, 2025
Place: Bengaluru

Annexure I to Directors' Report

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

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy– The business activities of your Company does not require any new major energy consumption.

(ii) The steps taken by the Company for utilizing alternate sources of energy– Not Applicable

(iii) The capital investment on energy conservation equipment– Not Applicable

B. TECHNOLOGY ABSORPTION

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

The benefits derived like product improvement, cost reduction, product development or import substitution– Not Applicable

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

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

The expenditure incurred on Research and Development– Not applicable.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Sr. No.	Particulars	For the year ended March 31, 2025 (Amount in INR)
1.	Earnings in Foreign Exchange [Actual Inflow].	NIL

	This information needs actual inflow and not based on accrual basis.	
2.	Expenditure in Foreign Currency [Actual Outflows] This information needs actual outflow and not based on accrual basis.	NIL

On behalf of Board of Directors
Avanti Microfinance Private Limited

S. Nagaraj

Mr. Nagaraj Subrahmanya
Director
DIN: 06906928
Date: May 27, 2025
Place: Bengaluru

Avanti Microfinance Private Limited

Thakkar

Mr. Manish Thakkar
Director
DIN: 03233206
Date: May 27, 2025
Place: Bengaluru

Corporate Governance Report

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

A. Composition of the Board of Directors

Sl. No.	Name of the Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	No. of other Directorships	No. of shares held in and convertible instrument held in the NBFC
1	Mr. Rahul Gupta	March 29, 2024	Non-Executive Director	09247626	1	-
2	Mr. Manish Thakkar	March 29, 2024	Non-Executive Director	03233206	2	-
3	Mr. Nagaraj Subrahmanya	March 29, 2024	Non-Executive Director	06906928	1	-

B. Meetings of the Board of Directors

Sl. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	April 29, 2024	3	3	100
2	August 24, 2024	3	3	100
3	December 16, 2024	3	3	100
4	March 31, 2025	3	3	100

C. Attendance of the Board of Directors

Sr. No.	Name of the Director	Board Meetings			Whether attended last AGM held on September 27, 2024 (Y/N)
		No. of Meeting Held	No. of Meeting attended	% of attendance	
1.	Mr. Rahul Gupta	4	4	100	N
2.	Mr. Manish Thakkar	4	4	100	Y
3.	Mr. Nagaraj Subrahmanya	4	4	100	Y

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

D. Remuneration to the Board of Directors

The Company has not paid any remuneration to its directors during the financial year 2024-25 and hence, no disclosure is required.

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

There is no change in the Board composition and Key Managerial Personnel for the current and previous financial year.

F. Committees of the Board and their composition

1. IT Strategy Committee

As on March 31, 2025, 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 2024-25, the IT Strategy Committee met 1 (One) time on June 25, 2024. The details of attendance of members and composition are as under:

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

Terms of reference:

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

Note: As good corporate governance, the Company has constituted an IT Steering Committee, Committee of Executives as well.

2. Committee of Executives

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

Sl. No.	Name of the Member	Member of Committee since	Capacity (i.e. Executive/ Non-Executive/ Chairman/Promoter nominee/Independent)	Number of meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1	Mr. Rahul Gupta	December 16, 2024	Chairman – Non-executive Director	0	0	-

2	Mr. Nagaraj Subrahmanya	December 16, 2024	Member – Non-executive Director	0	0	-
3	Mr. Manish Thakkar	December 16, 2024	Member – Non-executive Director	0	0	-
4	Ms. Sharmila Kunguma	December 16, 2024	Member – Chief Audit Officer of the holding company	0	0	-
5	Ms. Urvashi Bahirsheth	December 16, 2024	Member – Chief Compliance Officer & Company Secretary of the holding company	0	0	-
6	Mr. Darshil Mehta	December 16, 2024	Member – Chief Compliance Officer & Company Secretary of the Company	0	0	

Terms of reference:

a) To take stock of incidents categorized as fraud.
b) To monitor and follow up on cases categorized as fraud.
c) To review the status of FMR1 filing and update on FMR3
d) Review the effectiveness of Fraud Risk Management in the organization
e) Assist the board in achieving its responsibilities regarding control monitoring.
f) To review root cause analysis of the fraud incidents and provide mitigative measures to enhance effective internal controls, risk management and minimize incidents of fraud.
g) To promote accountability and responsibility in Internal control matters.
h) To constitute a transparent mechanism to ensure that Whistle Blower complaints on possible fraud cases / suspicious activities in account(s) are examined and concluded appropriately under their Whistle Blower Policy.
i) Assessment of control framework of the company, including compliance, assurance, financial crime prevention, managing conflicts of interest, adherence to ethical principles and independence.
j) To facilitate timely communication and corrective action.

G. General Body Meetings

During the financial year 2024-25, the general meetings of the shareholders of the Company were held as under:

Sl. No.	Type of Meeting- Annual (AGM) / Extra-Ordinary (EGM)	Date and Place	Special resolutions passed

1	AGM	September 27, 2024 via video conference	1. To consider and regularize the appointment of Mr. Rahul Gupta (DIN: 09247626) as a director of the Company 2. To consider and regularize the appointment of Mr. Manish Purshottam Thakkar (DIN: 03233206) as a director of the Company 3. To consider and regularize the appointment of Mr. Nagaraj Subrahmanya (DIN: 06906928) as a director of the Company

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

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

I. Details of penalties and strictures

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

J. Breach of Covenants

No instances of breach of covenants of loan availed occurred during the period under review.

K. Divergence in Asset Classification and Provisioning

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

On behalf of Board of Directors
Avanti Microfinance Private Limited

S. Nagaraj

Avanti Microfinance Private Limited

Thakkar

Mr. Nagaraj Subrahmanya
Director
DIN: 06906928
Date: May 27, 2025
Place: Bengaluru

Mr. Manish Thakkar
Director
DIN: 03233206
Date: May 27, 2025
Place: Bengaluru

Management Discussion and Analysis

The administration and operational functions of the Company are governed by the overarching policies and directives established by the holding company, Avanti Finance Private Limited. The holding company retains authority over key decisions, resource allocation, and compliance matters, thereby maintaining a cohesive structure.

Industry Overview:

FY 2024–25 was an eventful year for the rural lending and microfinance sector. What was initially perceived as a short-term disruption due to heatwaves and cyclicity resulting in lower collection efficiencies in Q1, evolved into a large-scale stress by the end of Q2. Portfolio quality across the sector began to deteriorate, with rising delinquencies and stress emerging in several geographies. This was further propelled by the increased instances of activism across a couple of states that have a key share of the overall rural micro AUM. Most Banks, NBFCs, SFBs, MFIs, social organisations started to acknowledge this issue starting Q2.

This affected the sector's profitability (most MFIs started reporting losses from Q2 until Q4), capital position leading to instances of covenant breaches, further impacting liquidity in this sector. Several lenders experienced reduced access to growth capital, especially the smaller players (< INR 200Cr AUM). As a result, disbursement volumes started to get impacted too. According to CRIF's report, by the end of Q3, the gross loan portfolio of the MFI sector had contracted by over 5%, volumes were down ~35% in Q3-FY 25 (as compared to Q3-FY 24) and the number of unique active borrowers declined by 4.8%, all of this signalling the extent and scale of this issue.

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

Avanti's Business Performance:

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

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

Segment–wise or product-wise performance

Segment/ Product	Disbursement	AUM	30+ DPD	90+ DPD
Retail:				
Direct	9,73,81,000	7,57,66,082	36,14,612	19,24,391
Assigned	3,39,99,707	3,40,73,521	25,61,426	1,35,482
Total	**13,13,80,707**	**10,98,39,603**	**61,76,038**	**20,59,873**

Technology and Innovation

Avanti's technology stack—built for scale—continues to be the backbone of our operating model. In FY25, we launched 100+ new features and several infrastructure level improvements to support our expansion into new co-lending partners, new partner channels and products with expanded vernacular support to our users for trust and customer service. Our credit engine was further enhanced through external data integrations (Account aggregators) and advanced analytics. Reaction time to compliance / audit requests was further strengthened through new builds. We also integrated OCRs and external validations to improve data quality, reduce technical rejections and improve field productivity.

We are also happy to report that our pilots in embedded finance solutions in key livelihood segments such as agriculture, dairy, and gig work were successful and are ready to be scaled up in the next financial year. We believe that these innovations will propel our goal of advancing timely, relevant, and responsible financial services to the underserved and unserved communities.

Impact and Inclusion

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

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

Outlook

Despite a difficult external environment, we are pleased to note meaningful progress in FY25. Our ability to scale responsibly, constantly innovate, launch new channels, improve digital collections, and report positive household impact reflects the strength of our operating model. As we move into FY 2025–26, we remain focused on scaling our inclusive credit model across deeper geographies, strengthening data-driven analytics for further strengthening risk management, and fostering new ecosystem partnerships across core and new channels. With a growing rural digital footprint and supportive policy tailwinds, Avanti is well-positioned to drive large-scale, sustainable impact for India's underserved.

Risks and concerns

	Risk	Mitigation
Credit Risk	Non-repayment of loan by a borrower,	The Company has a robust credit 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	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,

	execution of processes or products.	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 airing 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.

Material developments in Human Resources/Industrial Relations front, including number of people employed.

The Company operates without any employees on its payroll. The role of Company Secretary is filled by an individual who is an employee of the holding company.

On behalf of Board of Directors
Avanti Microfinance Private Limited

S. Nagaraj

Avanti Microfinance Private Limited

Thakkar

Mr. Nagaraj Subrahmanya
Director
DIN: 06906928
Date: May 27, 2025
Place: Bengaluru

Mr. Manish Thakkar
Director
DIN: 03233206
Date: May 27, 2025
Place: Bengaluru

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AVANTI MICROFINANCE PRIVATE LIMITED

Report on the Audit of the Standalone Ind-AS financial statements

Opinion

We have audited the accompanying standalone financial statements of **AVANTI MICROFINANCE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash flows for the year then ended, and Notes to the Standalone financial statements including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit including other comprehensive income, its cash flows and the 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), as 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 these 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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 Board report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone financial statements

The Company's Board of Directors is responsible for the matters specified in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended . This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's responsibility for the Audit of 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 skepticism 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except the back-up of the accounting software used for maintaining general ledger which forms part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the year.
   c) The Balance Sheet, the Statement of Profit and Loss including the statement of other comprehensive income ,the Cash flow statement and the statement of changes in equity 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 accounting standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015, as amended;
   e) On the basis of written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is

disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Act (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to Ind-AS 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, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company does not have any pending litigations which would impact its financial position.

   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) There were no amounts which 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, other than as disclosed in the Standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company 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, other than as disclosed in the Standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed 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) contain any material mis-statement.

   v) No dividend has been declared or paid during the year by the Company.

   vi) a) Based on our examination which included test checks, the company has used an 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.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

b) The company has preserved the audit trail according to statutory record retention requirements.

For P V Menon & Associates
Chartered Accountants
Firm's Regn No.: 002066S

PARAMESWARAN KOLLANGODE BALASUBRAMANIAN
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Date: 2025.05.27 12:24:11 +05'30'

K.B. Parameswaran
Partner
Membership No.202735
UDIN: 25202735BMKQCR8533

Place: Bangalore
Date: May 27, 2025

Annexure "A" to Independent Auditor's Report

Annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

We report that:

i) a) The Company does not have any Property, Plant and Equipment and hence reporting under clause i(a)(A) is not applicable. The Company does not have any Intangible Assets and hence reporting under clause i(a)(B) is not applicable.

b) The Company does not have any Property, Plant and Equipment and hence reporting under clause i(b) of CARO 2020 is not applicable.

c) Since the Company does not hold any Immovable Property, reporting under clause i(c) of CARO 2020 is not applicable to the Company.

d) The Company does not have any Property, Plant and Equipment and hence question of revaluation does not arise. The Company has not revalued Intangible Assets during the year.

e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at 31st March, 2025 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii) a) The Company does not have any inventory and hence reporting under clause ii(a) of CARO 2020 is not applicable.

b) The Company has not been sanctioned any working capital limits in excess of Rs. Five crores during the year and hence clause ii(b) of CARO 2020 is not applicable.

iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided guarantees or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans and advances in the nature of loans during the year to companies and other parties

a) The principal business of the company is to give loans and hence, clause 3 (iii) (a) of the order is not applicable to the company.

b) In our opinion and according to information and explanations given to us, the terms and conditions of all loans and advances in the nature of loans provided by the Company are not prejudicial to the interest of the Company. The Company has not made any investments or given any guarantee which are prejudicial to the interest of the Company.

c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for cases having outstanding balances at the year end aggregating to Rs.1,30,65,753 wherein the repayments of principal and interest are not regular. Having regard to the nature of Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

d) Total amount of loans overdue for more than ninety days as on 31st March 2025 is Rs.12,46,403 and in our opinion and according to information and explanations given to us reasonable steps have been taken by the Company for recovery of principal and interest.

e) The principal business of the company is to give loans and hence the clause 3 (iii) (e) of the Order is not applicable.

f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv) In our opinion and according to information and explanations given to us, there are no loans, investments and securities granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable.

v) According to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits from the public in terms of directives issued by Reserve Bank of India and provisions of Sections 73 to 76 of the Companies Act, 2013. Accordingly, clause (v) of the Order is not applicable to the Company.

vi) According to the information and explanations given to us, pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013, the Company is not required to maintain cost records in respect of services rendered by the Company. Accordingly, clause (vi) of the Order is not applicable to the Company.

vii) a) According to the information and explanations given to us and the records available, Company is generally regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees state insurance, income tax, value added tax, cess and other material statutory dues as applicable with appropriate authorities. Further, according to the information and explanations given to us, there were no undisputed amounts payable in respect Goods and Service tax, provident fund, employees state insurance, income tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues outstanding as at 31st March, 2025 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of records of the company, there are no dues of provident fund, employees state insurance, income tax, Goods and service tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute as at 31st March, 2025 except as below:

Statute	Nature of Dues	Forum before whom pending	Total due Rs	Amount deposited Rs	Period to which it relates
CGST Act	CGST,SGST & IGST	Joint Commercial Taxes Appeals- 4	92,82,179	8,42,809	2020-21 to 2022-23

viii) According to the information and explanations given to us, no transaction which was not recorded in the books of account have been surrendered or disclosed as income by the Company during the year in the tax assessments under the Income Tax Act, 1961

ix) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

b) According to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us, the Company has not taken any term loans and hence clause (ix)(c) is not applicable to the Company.

d) According to the information and explanations given to us the Company has not raised any short-term loans and hence clause (ix)(d) is not applicable to the Company.

e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) a) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence clause (x)(a) is not applicable to the Company

b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares convertible debentures (fully, partially or optionally convertible) during the year and hence clause (x)(b) is not applicable to the Company

xi) (a)According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report has been filed under sub-section (12) of section 143 of the Companies Act in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, there are no whistle-blower complaints received during the year by the company.

xii) Since the Company is not a Nidhi company, clause (xii) of the Order is not applicable to the Company.

xiii) The company is a private company and hence the provisions of Section 177 of Companies Act, 2013 ("the Act") is not applicable to the company, In our opinion and according to the information and explanations given to us the company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statement etc. as required by the applicable accounting standards.

xiv) According to the information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of Companies Act, 2013, Hence, clause (xiv) (a) and (b) is not applicable to the company.

xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

xvi) (a) The Company is required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and it has obtained registration on 11th July, 2017.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without obtaining a valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions. 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditor during the year and hence reporting under clause 3(xviii) of the order is not applicable to the Company

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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

(b) the Corporate Social Responsibility (CSR) policy is not applicable to the company. Accordingly, reporting under clause (xx)(b) of the Order is not applicable for the year.

For P V Menon & Associates
Chartered Accountants
Firm's Regn No.: 002066S

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K.B. Parameswaran
Partner
Membership No.202735
UDIN: 25202735BMKQCR8533

Place: Bangalore
Date: May 27, 2025

Avanti Microfinance Private Limited
Standalone Balance Sheet as at March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	1.77	8.01
Bank balance other than cash and cash equivalents	5	-	-
Receivables :	6	-	-
i) Trade Receivables		-	-
ii) Other Receivables		-	-
Loans	7	975.35	821.32
Other financial assets	8	1.51	-
2 Non-financial assets			
Other non-financial assets	9	23.19	-
Total assets		**1,001.82**	**829.33**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10	15.33	26.43
Other financial liabilities	11	108.99	-
2 Non-financial liabilities			
Other non-financial liabilities	12	0.21	1.80
Total liabilities		**124.53**	**28.23**
3 Equity			
Equity share capital	13	3,951.61	3,951.61
Other equity	14	(3,074.32)	(3,150.52)
Total equity		**877.29**	**801.09**
Total liabilities and equity		**1,001.82**	**829.33**

See accompanying notes forming part of the standalone financial statements.

For and on behalf of the Board of Directors of
Avanti Microfinance Private Limited
CIN: U65929KA2016PTC138292

As per our report of even date
For P V Menon & Associates
Chartered Accountants
Firm Registration No.: 02066S

RAHUL GUPTA Digitally signed by RAHUL GUPTA Date: 2025.05.27 10:44:59 +05'30'

MANISH PURSHOTTAM THAKKAR Digitally signed by MANISH PURSHOTTAM THAKKAR Date: 2025.05.27 10:48:57 +05'30'

DARSHIL HARISH MEHTA Digitally signed by DARSHIL HARISH MEHTA Date: 2025.05.27 10:37:02 +05'30'

PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Digitally signed by PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Date: 2025.05.27 12:27:06 +05'30'

Rahul Gupta
Director
DIN: 09247626
Bengaluru
May 27, 2025

Manish Thakkar
Director
DIN: 03233206
Bengaluru
May 27, 2025

Darshil Mehta
Company Secretary
ACS: 61030
Bengaluru
May 27, 2025

K B Parameswaran
Partner
Membership No.202735
Bengaluru
May 27, 2025

Avanti Microfinance Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
	Revenue from operations			
(i)	Interest income	15	173.55	122.49
(ii)	Fees and commission income	16	-	-
(iii)	Net gain on fair value changes		-	-
(iv)	Net gain on de-recognition of financial instruments under amortised cost category	17	6.44	-
(v)	Other operating income	18	6.83	-
(I)	**Total revenue from operations**		**186.82**	**122.49**
(II)	Other income	19	6.71	-
(III)	**Total income (I + II)**		**193.53**	**122.49**
	Expenses			
(i)	Fee and commission expense	20	39.99	32.98
(ii)	Impairment of financial instruments	21	55.13	5.55
(iii)	Other expenses	22	22.22	12.62
(IV)	**Total expenses**		**117.34**	**51.15**
(V)	**Profit before exceptional items and tax (III - IV)**		**76.19**	**71.34**
(VI)	**Exceptional items**		-	-
(VII)	**Profit before tax (V - VI)**		**76.19**	**71.34**
(VIII)	**Tax expense:**		**-**	**-**
	(1) Current tax		-	-
	(2) Prior Period tax		-	-
	(3) Deferred tax		-	-
(IX)	**Profit for the year from continuing operations (VII - VIII)**		**76.19**	**71.34**
(X)	**Profit for the year (IX)**		**76.19**	**71.34**
(XI)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		**-**	**-**
	(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		**-**	**-**
(XII)	**Total comprehensive income for the year (X + XI)**		**76.19**	**71.34**
(XIII)	**Earnings per equity share (EPS) (face value of ₹ 10.00 each)**	23		
	Basic (₹)		0.19	0.18
	Diluted (₹)		0.19	0.18

See accompanying notes forming part of the standalone financial statements.

For and on behalf of the Board of Directors of
Avanti Microfinance Private Limited
CIN: U65929KA2016PTC138292

As per our report of even date
For P V Menon & Associates
Chartered Accountants
Firm Registration No.: 02066S

RAHUL GUPTA Digitally signed by RAHUL GUPTA Date: 2025.05.27 10:45:47 +05'30'
Rahul Gupta
Director
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Bengaluru
May 27, 2025

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Bengaluru
May 27, 2025

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May 27, 2025

PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Digitally signed by PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Date: 2025.05.27 12:28:15 +05'30'
K B Parameswaran
Partner
Membership No.202735
Bengaluru
May 27, 2025

Avanti Microfinance Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	76.19	71.34
Provision on Loan Assets	16.78	6.89
Provision of Loans and Advances (GST input credit)	-	0.04
Interest Income on Fixed Deposit	(0.42)	-
Write off of loans	38.35	(1.35)
Operating profit before working capital changes	**130.90**	**76.93**
Movements in working capital:		
(Increase) / decrease in loans	(209.15)	(168.58)
(Increase) / decrease in receivables	-	-
(Increase)/ decrease in other financial assets	(1.51)	77.85
(Increase) / decrease in other non-financial assets	(23.19)	-
Increase/ (decrease) in payables	(11.10)	9.17
Increase / (decrease) in other financial liabilities	108.99	-
Increase/ (decrease) in provisions	-	-
Increase / (decrease) in non-financial liabilities	(1.59)	(1.46)
Cash used in operations	**(6.65)**	**(6.08)**
Direct taxes paid (net of refunds)	-	1.22
Net cash flows used in operating activities (A)	**(6.65)**	**(4.86)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	-	-
(Investment) in/ withdrawal of Bank Deposits(Net)	0.42	-
Net cash flows used in investing activities (B)	**0.42**	**-**
C. Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	-
Net cash flows from financing activities (C)	**-**	**-**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(6.23)	(4.86)
Cash and cash equivalents at the beginning of the year	8.01	12.88
Cash and cash equivalents at the end of the year	**1.77**	**8.01**

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	For the year ended March 31, 2025	For the year ended 31 March 2024
i) Cash on hand	-	-
ii) Balances with banks (of the nature of cash and cash equivalents)	1.77	8.01
Total	**1.77**	**8.01**

See accompanying notes forming part of the standalone financial statements.

For and on behalf of the Board of Directors of
Avanti Microfinance Private Limited
CIN: U65929KA2016PTC138292

As per our report of even date
For P V Menon & Associates
Chartered Accountants
Firm Registration No.: 02066S

RAHUL GUPTA Digitally signed by RAHUL GUPTA Date: 2025.05.27 10:46:28 +05'30'

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DARSHIL HARISH MEHTA Digitally signed by DARSHIL HARISH MEHTA Date: 2025.05.27 10:38:15 +05'30'

PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Digitally signed by PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Date: 2025.05.27 12:29:05 +05'30'

Rahul Gupta
Director
DIN: 09247626
Bengaluru
May 27, 2025

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Bengaluru
May 27, 2025

K B Parameswaran
Partner
M No.202735
Bengaluru
May 27, 2025

Avanti Microfinance Private Limited

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

(All amounts in ₹ Lakhs unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
As at March 31, 2024	**3,951.61**	**3,951.61**
Changes in Equity share capital during the year	-	-
As at March 31, 2025	**3,951.61**	**3,951.61**

Particulars	Number of shares	Amount
As at March 31, 2023	**3,95,16,107**	**3,951.61**
Changes in Equity share capital during the year	-	-
As at March 31, 2024	**3,95,16,107**	**3,951.61**

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
3,951.61	-	-	-	**3,951.61**

(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
3,951.61	-	-	-	**3,951.61**

B. Other equity

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Other comprehensive income	Total
		Securities premium account	Statutory reserve - Reserve fund u/s 45-IC of RBI Act 1934	Contribution to employee stock option scheme	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2024	-	-	**14.27**	-	-	**(3,164.78)**	-	**(3,150.52)**
Profit for the year	-	-	-	-	-	76.19	-	76.19
Transfer to statutory reserves	-	-	-	-	-	(15.24)	-	(15.24)
Transfer from retained earnings	-	-	15.24	-	-	-	-	15.24
Balance as at March 31, 2025	-	-	**29.51**	-	-	**(3,103.83)**	-	**(3,074.32)**

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

Particulars	Equity component of compound financial instruments	Reserves and Surplus					Other comprehensive income	Total
		Securities premium account	Statutory reserve - Reserve fund u/s 45-IC of RBI Act 1934	Contribution to employee stock option scheme	Debenture redemption reserve	Retained earnings		
Balance as at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**(3,221.86)**	**-**	**(3,221.86)**
Profit for the year	-	-	-	-	-	71.34	-	71.34
Transfer to statutory reserves	-	-	-	-	-	(14.27)	-	(14.27)
Transfer from retained earnings	-	-	14.27	-		-	-	14.27
Balance as at March 31, 2024	**-**	**-**	**14.27**	**-**	**-**	**(3,164.78)**	**-**	**(3,150.52)**

For and on behalf of the Board of Directors of
Avanti Microfinance Private Limited
CIN: U65929KA2016PTC138292

RAHUL GUPTA Digitally signed by RAHUL GUPTA Date: 2025.05.27 10:47:04 +05'30'

Rahul Gupta
Director
DIN: 09247626

Bengaluru
May 27, 2025

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Manish Thakkar
Director
DIN: 03233206

Bengaluru
May 27, 2025

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Darshil Mehta
Company Secretary
ACS: 61030

Bengaluru
May 27, 2025

As per our report of even date
For P V Menon & Associates
Chartered Accountants
Firm Registration No.: 02066S

PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Digitally signed by PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Date: 2025.05.27 12:29:50 +05'30'

K B Parameswaran
Partner
M No.202735

Bengaluru
May 27, 2025

Avanti Microfinance Private Limited

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

1. Corporate Information

Avanti Microfinance Private Limited ("the Company") is registered under Companies Act, 2013 as a private Company. The Company has been incorporated on October 7, 2016 to carry on the business of microfinance facility by catering to the credit requirements of the under-served and un-served segments of the population of India, providing finance in terms of short / medium term loans, working capital finance or other debt rated services to the economically poor individuals or to collectives or organisations which will assist in providing for the credit requirements of the under-served and unserved segments of the population, such as self-help groups, village level organisations, federations, producer organisations, societies, merchant bodies, traders, industries, commercial establishments, financial institutions, co-operative societies, non-government organisations, private, charitable, educational and research institutions and related entities and to carry on the business of microfinance services (As a Non-Banking Financial Services - Micro Finance Institution as permitted by the Reserve Bank of India) ; The company is registered as a Non-Banking Finance Company - Micro Finance Institution ("NBFC - MFI") without accepting public deposits, holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated 11 July 2017.

2. Basis of preparation

Statement of compliance

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

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

Presentation of financial statements

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

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note no. 27 of the Standalone financial statement

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgments

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

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

Significant accounting judgements, estimates and assumptions

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

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

i. Business model assessment refer para 3.3
ii. Defined employee benefit assets and liabilities refer para 3.11.2
iii. Fair Value Measurement: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices

in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv. Impairment of Loan portfolio refer para 3.6

v. Effective Interest rate refer para 3.1

vi. Other estimates: These include contingent liabilities, useful lives of tangible and intangible assets etc.

3. Material Accounting Policies

3.1 Recognition of interest income

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

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

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

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

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 and supersedes current revenue recognition guidance found within Ind ASs.

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

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

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

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

Income from assignment transactions
Income from assignment transactions i.e. present value of excess interest spread less 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.

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

3.3 Financial instruments

Recognition and initial measurement

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

Classification and subsequent measurement

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

Financial assets (other than equity)

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

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

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

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

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

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice;

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

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

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

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

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

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

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

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

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.

Financial liabilities and equity instruments

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

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

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

Reclassification

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

Amortised cost	**Revised classification**	**Accounting treatment**
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.

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

De-recognition, modification and transfer

Financial Assets

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

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

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

Assignment transactions:

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

Securitisation transactions

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

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

l) the carrying amount (measured at the date of derecognition) and

lI) the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial liabilities

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

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

Offsetting of financial instruments

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

3.4 Impairment and write off

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortized cost

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

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

Measurement of expected credit losses

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

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

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

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

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

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

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

Key elements of ECL computation are outlined below:

• **Exposure at Default (EAD)** is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities.

• **Probability of default ("PD")** is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio. PD is calculated based on historical default rate summary of past years using historical analysis.

• **Loss given default ("LGD")** estimates the normalised loss which Company incurs post customer default. It is computed using historical loss and recovery experience. It is usually expressed as a percentage of the Exposure at default ("EAD").

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

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 29

Presentation of allowance for expected credit losses in the balance sheet

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

Financial Guarantee contracts

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

Write-offs

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

Impairment of Trade receivables

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

3.5 Determination of fair value

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

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

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

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

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

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

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

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

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

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

Level 3 financial instruments − Those that include one or more unobservable input that is significant to the measurement as whole.
It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

3.6 Finance cost

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

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

3.7 Other expenses

All Other expenses are recognized in the period they occur.

3.8 Cash and cash equivalents

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

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

3.9 Intangible assets

The Company's intangible assets consist of software.

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

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

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

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

3.10 Impairment of non-financial assets

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

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

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only

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

Foreign currency

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

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

Trade and other payables

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

Employee Benefits

Short-term employee benefits

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

3.11 Post employment benefits

3.11.1 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.

3.11.2 Defined Benefit schemes

Gratuity

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

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

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

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

Other long term employee benefits

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

3.12 Provisions

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

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

Commitments

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

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for;

b) Other non-cancellable commitments, if any

3.13 Taxes

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

3.13.1 Current Tax

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

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

3.14 Contingent Liabilities and assets

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

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

3.15 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.

3.16 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.

3.17 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.

3.18 Events after reporting date

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

3.19 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Avanti Microfinance Private Limited
Notes forming part of the financial statements as at March 31, 2025
(All amounts in ₹ Lakhs unless otherwise stated)

4 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	-
Balances with banks and financial institutions		
- Balance with banks in current accounts	1.77	8.01
- Bank deposit with original maturity less than 3 months	-	-
Total	**1.77**	**8.01**

5 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits for maturity of more than 3 months and upto 12 months	-	-
Other Bank Balances	-	-
Total	**-**	**-**

6 Receivables (at amortised cost)

(I) Trade receivables

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

(II) Other receivables

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

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.

7 Loans

Particulars	**As at March 31, 2025**			**As at March 31, 2024**		
	Amortised cost	**At fair value through P&L**	**Total**	**Amortised cost**	**At fair value through P&L**	**Total**
i) Term loans	1,020.27	-	1,020.27	849.46	-	849.46
ii) Working Capital Loans	-	-	-	-	-	-
Total (A) - Gross	**1,020.27**	**-**	**1,020.27**	**849.46**	**-**	**849.46**
Less : Impairment loss allowance	(44.91)		(44.91)	(28.14)		(28.14)
Total (A) - Net	**975.35**	**-**	**975.35**	**821.32**	**-**	**821.32**
Secured by Fixed Deposit/Cash	-	-	-	-	-	-
Unsecured	1,020.27	-	1,020.27	849.46	-	849.46
Total (A) - Gross	**1,020.27**	**-**	**1,020.27**	**849.46**	**-**	**849.46**
Less : Impairment loss allowance	(44.91)	-	(44.91)	(28.14)		(28.14)
Total (A) - Net	**975.35**	**-**	**975.35**	**821.32**	**-**	**821.32**
Loans in India						
Public sector	-	-	-	-	-	-
Others	1,020.27	-	1,020.27	849.46	-	849.46
Total - Gross	**1,020.27**	**-**	**1,020.27**	**849.46**	**-**	**849.46**
Less : Impairment loss allowance	(44.91)	-	(44.91)	(28.14)	-	(28.14)
Total - Net	**975.35**	**-**	**975.35**	**821.32**	**-**	**821.32**

(All amounts in ₹ Lakhs unless otherwise stated)

7 Loans (contd.)
Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 29 Credit Risk (Impairment assessment).

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal rating grade								
Performing								
Standard grade - No over due	890.36	-	-	890.36	760.96	-	-	760.96
Standard grade - DPD 1 to 30	81.32	-	-	81.32	77.60	-	-	77.60
Standard grade - DPD 31 to 60	-	23.30	-	23.30	-	1.86	-	1.86
Standard grade - DPD 61 to 90	-	13.96	-	13.96	-	1.46	-	1.46
Non- performing								
Sub-standard grade - DPD > 90*	-	-	11.32	11.32	-	-	7.58	7.58
Total	**971.68**	**37.27**	**11.32**	**1,020.27**	**838.56**	**3.32**	**7.58**	**849.46**

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

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

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount - opening balance	**838.55**	**3.32**	**7.58**	**849.46**	**676.93**	**2.64**	**(0.00)**	**679.57**
New assets originated*	815.69			815.69	703.33	0.50	-	703.82
Movement between stages								
Transferring from Stage 1	(27.79)	22.11	5.68	-	(9.06)	2.82	6.24	-
Transferring from Stage 2	0.07	(0.07)	-	-	0.14	(0.14)		-
Transferring from Stage 3	-	-	-	-			-	-
Assets repaid, derecognized and written off	(654.84)	11.90	(1.94)	(644.88)	(532.78)	(2.50)	1.35	(533.93)
Gross carrying amount- closing balance	**971.68**	**37.27**	**11.32**	**1,020.27**	**838.55**	**3.32**	**7.58**	**849.46**

* 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.

(All amounts in ₹ Lakhs unless otherwise stated)

7 Loans (contd.)

Reconciliation of ECL balance is given below:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**21.88**	**1.59**	**4.67**	**28.14**	**21.92**	**1.24**	**(0.00)**	**23.16**
New assets originated*	13.56	-	-	13.56	23.41	0.23	-	23.65
Movement between stages								
Transfers from Stage 1	(0.51)	0.38	0.12	-	(0.29)	0.09	0.20	-
Transfers from Stage 2	-	-	-	-	0.06	(0.06)	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized,written off & Remeasurement)	(14.54)	14.57	3.18	3.21	(23.22)	0.09	4.47	(18.66)
Impairment allowance - closing balance	**20.40**	**16.54**	**7.97**	**44.91**	**21.88**	**1.59**	**4.67**	**28.14**

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

8 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
EIS receivable on assignment & Co-lending	1.51	-
Total	**1.51**	**-**

(All amounts in ₹ Lakhs unless otherwise stated)

9 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
TDS Receivable/Advance Tax	0.44	-
Prepaid expenses	-	-
Advance to suppliers and others	-	-
CD Deposits with Insurers	-	-
Capital Advances	-	-
Balance lying with statutory authorities	22.75	-
Total	**23.19**	**-**

10 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.33	26.43
Total	**15.33**	**26.43**

10.1 Trade payables ageing is as follows:

Particulars	As at March 31, 2025					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	15.33	-	-	-	15.33

Particulars	As at March 31, 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	26.43				26.43
(ii) Others	-	-	-	-	-	-

11 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Service Obligation against EIS	0.92	-
Other Payable	108.07	
Total	**108.99**	**-**

12 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	0.21	1.81
Total	**0.21**	**1.81**

Avanti Microfinance Private Limited

Notes forming part of the financial statements as at March 31, 2025

(All amounts in ₹ Lakhs unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
13	**AUTHORISED SHARE CAPITAL**		
	4,00,00,000 Equity Shares of Rs.10/- each (Previous year 4,00,00,000 Equity Shares of Rs. 10/-	4,000.00	4,000.00
	Total authorised capital	**4,000.00**	**4,000.00**
	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up share capital		
	3,95,16,107 Equity Shares of Rs. 10/- each fully paid-up (Previous Year 3,95,16,107 Equity Shares of Rs. 10/- each fully paid-up)	3,951.61	3,951.61
	Total equity share capital	**3,951.61**	**3,951.61**

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

Particulars	Number of	Amount
As at March 31, 2024	**3,95,16,107**	**3,951.61**
Issued during the year	-	-
As at March 31, 2025	**3,95,16,107**	**3,951.61**

Particulars	Number of	Amount
As at March 31, 2023	**3,95,16,107**	**3,951.61**
Issued during the year		
As at March 31, 2024	**3,95,16,107**	**3,951.61**

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 corporate dividend tax. 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. 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.

d. Details of shareholders holding more than 5% equity shares in the Company (Equity shares of ₹ 10 each)

		As on March 31, 2025		As on March 31, 2024		% Change during the year
S. No.	**Name of the Shareholder**	**Number of Shares**	**% of Total Shares**	**Number of Shares**	**% of Total Shares**	
1	Avanti Finance Private Limited	3,95,16,107	100%	3,95,16,107	100%	0%

14 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory reserve (Pursuant to Section 45-IC of the RBI Act, 1934)		
Opening balance	14.27	-
Add: Transfer from retained earnings	15.24	14.27
Closing balance	**29.51**	**14.27**
Retained earnings		
Opening balance	(3,164.78)	(3,221.86)
Add : Net profit/(net loss) for the current year	76.19	71.34
Add / Less: Appropriations		
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(15.24)	(14.27)
Total appropriations	**(15.24)**	**(14.27)**
Retained earnings	**(3,103.83)**	**(3,164.78)**
Total Other equity	**(3,074.32)**	**(3,150.52)**

Nature and purpose of reserves

Statutory reserve: Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

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

(All amounts in ₹ Lakhs unless otherwise stated)

15 Interest income

Particulars	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at FVTPL	For the year ended March 31, 2025
Interest income on loans	173.13			173.13
Interest income on deposits	0.42			0.42
Other Interest income	-			-
Total	**173.55**	**-**	**-**	**173.55**

Particulars	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	On financial assets measured at FVTPL	For the year ended March 31, 2024
Interest income on loans	122.49	-	-	122.49
Interest income on deposits	-	-	-	-
Other Interest income	-	-	-	-
Total	**122.49**	**-**	**-**	**122.49**

16 Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Service Fees and comission Income	-	-
Total	**-**	**-**

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on De-recognition of Loan assets	6.44	-
Total	**6.44**	**-**

18 Other operating income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Write off recovery	6.83	-
Total	**6.83**	**-**

19 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision no Longer required written back	4.96	-
Unidentified receipts written back	1.75	-
Total	**6.71**	**-**

(All amounts in ₹ Lakhs unless otherwise stated)

20 Fee and commission expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Commission Expense	39.99	32.98
Total	**39.99**	**32.98**

21 Impairment of financial assets

Particulars	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	For the year ended March 31, 2025
Portfolio loans written off	38.35	-	38.35
Impairment allowance/(reversal) on portfolio loans	16.78	-	16.78
Impairment loss allowance on Receivable	-	-	-
Loss allowance for Financial Guarantee	-	-	-
Total	**55.13**	**-**	**55.13**

Particulars	On financial assets measured at amortised cost	On financial assets measured at FVTOCI	For the year ended March 31, 2024
Portfolio loans written off	(1.35)	-	(1.35)
Impairment allowance/(reversal) on portfolio loans	6.89	-	6.89
Impairment loss allowance on Trade & other receivable	-	-	-
Loss allowance for Financial Guarantee	-	-	-
Total	**5.55**	**-**	**5.55**

22 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal and Professional Expenses	12.95	5.88
Payments to auditors (Refer note below)	4.80	4.00
Membership and Subscription	1.69	2.20
Bank Charges	0.89	-
Office Expenses	0.06	-
Provision of Loans and Advances (GST Input)	-	0.04
Miscellaneous Expenses	1.84	0.50
Total	**22.22**	**12.62**

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

As Auditor:		
- Audit fees	4.80	4.00
- Tax audit fees	-	-
In any other manner:		
- Certification	-	-

23 Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net profit after tax attributable to equity shareholders		
Net profit for the year for basic EPS	**76.19**	**71.34**
Dilutive impact of compulsorily convertible debentures	-	-
Net profit for the year for diluted EPS	**76.19**	**71.34**
Nominal value of equity share (in ₹)	10.00	10.00
Weighted-average number of equity shares for basis earnings per share	**395.16**	**395.16**
Effect of dilution:		
Compulsory convertible preference shares	NA	NA
Compulsory convertible debentures	NA	NA
Share options		
Weighted-average number of equity shares used to compute diluted earnings per share	**395.16**	**395.16**
Basic earnings per equity share (in ₹)	0.19	0.18
Diluted earnings per equity share (in ₹)*	0.19	0.18

** Since the company has loss for the period, Effect of dilution is anti-dilutive*

(All amounts in ₹ Lakhs unless otherwise stated)

24 Maturity analysis of assets and liabilities

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

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1.77	-	1.77	8.01	-	8.01
Bank balance other than cash and cash equivalents	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Loans	828.48	146.88	975.35	697.71	123.62	821.32
Investments	-	-	-	-	-	-
Other financial assets	1.51	-	1.51	-	-	-
Non-financial assets						
Property, plant and equipment	-	-	-	-	-	-
Intangible Assets under Development	-	-	-	-	-	-
Right of use asset	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-
Other non-financial assets	23.19	-	23.19	-	-	-
Total assets	**854.94**	**146.88**	**1,001.82**	**705.72**	**123.62**	**829.33**
Liabilities						
Financial liabilities						
Trade payables	15.33	-	15.33	26.43	-	26.43
Other financial liabilities	108.99	-	108.99	-	-	-
Non-financial liabilities						
Other non-financial liabilities	0.21	-	0.21	1.80	-	-
Total liabilities	**124.53**	**-**	**124.53**	**28.23**	**-**	**26.43**

*All borrowings are disclosed based on the contractual maturities.

Note:

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

25 Contingent liabilities, commitments

(A) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
In respect of demand raised by GST authorities 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 Rs. 8,42,809 has been paid under protest.	92.82	Nil
Total	**92.82**	**-**

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

There are no commitments as on 31-03-2025 and 31-03-2024

(All amounts in ₹ Lakhs unless otherwise stated)

26 Related party disclosures

A. List of related parties and disclosures

1. Enterprises exercising control: NRJN Family Trust

2. Enterprises company exercising control:
Parent Company: Avanti Finance Private Limited (AFPL)

3. Key managerial personnel and their relatives:

Name of key managerial personnel	Nature of relationship
Mr. Rahul Gupta	Director
Mr. Manish Thakkar	Director
Mr. Nagaraj Subramaniyam	Director
Avanti Finance Private Limited (AFPL)	Holding Company from July 30, 2021

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

Name of related party	Nature of transaction	For the year ended March 31, 2025	For the year ended March 31,2024
Avanti Finance Private Limited (AFPL)	Assignment of Loan portfolio from (AFPL)	340.00	165.47
Avanti Finance Private Limited (AFPL)	Assignment of Loan portfolio to (AFPL)	298.72	-
Avanti Finance Private Limited (AFPL)	Amounts received from AFPL for assigned Loan	180.83	379.39
Avanti Finance Private Limited (AFPL)	Service fee for the assigned Loan	-	8.56

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

Name of related party	Nature of balance	For the year ended March 31, 2025	For the year ended March 31,2024
Avanti Finance Private Limited (AFPL)	Amounts Payable to AFPL	108.07	0.59

(All amounts in ₹ Lakhs unless otherwise stated)

27 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity 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 maintains 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 order to maintain or adjust the capital structure, or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years.

Regulatory capital	**For the year ended March 31, 2025**	**For the year ended March 31,2024**
Tier 1 capital	877.29	801.09
Tier 2 capital	12.92	-
Total capital funds	**890.21**	**801.09**
Risk weighted assets	**1,032.90**	**849.46**
Common Equity Tier 1 capital ratio	84.93%	94.31%
Common Equity Tier 2 capital ratio	1.25%	
Total capital ratio	**86.19%**	**94.31%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including the respective year's profit less accrued dividends. 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, which includes subordinated debt.

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

(All amounts in ₹ Lakhs unless otherwise stated)

28 Fair value measurement

28.1 Financial assets and liabilities

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

Particulars	For the year ended March 31, 2025	For the year ended March 31,2024
Financial assets measured at fair value through P&L		
Investments	-	-
Financial assets measured at amortised cost		
Cash and cash equivalents	1.77	8.01
Bank balance other than cash and cash equivalents	-	-
Trade Receivables	-	-
Other receivables	-	-
Loans	975.35	821.32
Other financial assets	1.51	-
Total	**978.63**	**829.33**

Particulars	For the year ended March 31, 2025	For the year ended March 31,2024
Financial liabilities measured at amortised cost		
Trade payables	15.33	26.43
Other financial liabilities	108.99	-
Total	**124.32**	**26.43**

28.2 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:

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

(All amounts in ₹ Lakhs unless otherwise stated)

28 Fair value measurement (cont'd)

28.3 Financial assets and liabilities measured at fair value - recurring fair value measurements

For the year ended March 31, 2025	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets measured at FVTPL				
Loans	-	-	-	-
Investments in Mutual Funds	-	-	-	-

For the year ended March 31,2024	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets measured at FVTPL				
Investments in Mutual Funds	-	-	-	-

Valuation technique used to determine fair value

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

The hierarchy used is as follows :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

28.4 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	**For the year ended March 31, 2025**		**For the year ended March 31,2024**	
	Carrying	**Fair value**	**Carrying**	**Fair value**
Financial assets:				
Cash and cash equivalents	1.77	1.77	8.01	8.01
Bank balance other than cash and cash equivalents	-	-	-	-
Trade Receivables	-	-	-	-
Other receivables	-	-	-	-
Loans (measured at amortised cost)	975.35	975.35	821.32	821.32
Other financial assets	1.51	1.51	-	-
Total financial assets	**978.63**	**978.63**	**829.33**	**829.33**
Financial liabilities:				
Trade payables	15.33	15.33	26.43	26.43
Other financial liabilities	108.99	108.99	-	-
Total financial liabilities	**124.32**	**124.32**	**26.43**	**26.43**

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.

29 Risk management framework

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Company (BOD) along with the management are primarily responsible for Financial Risk Management of the Company. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Management Committee (RMC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.
The RMC controls and manages an inherent risks related to the Company's activities by the following risk categories:

i. Credit Risk

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

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

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, source of income and continuity of employment/business.
The Company has additionally taken the following measures:-
· Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
· Enhanced monitoring of portfolio through periodic reviews.
· Periodic trainings to its credit officers

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

Credit underwriting
The Company's credit team evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of the product, customer scorecards wherever applicable, historical experience and demographic parameters. Any deviations need to be approved at the designated levels.The company offers to add on funding to existing borrowers basis credit performance governed through credit approvals and approved policy.

External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences.

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

Cash shortfalls are identified as follows.
For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.
The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets at amortised cost.
The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

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

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

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

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

Definition of Default

As per the Company's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 29 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 30 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of qualitative assessment, of whether the customer is in default, the company also considers a variety of instances that may indicate 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 heighted risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences.

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Company collects performance and default information about its credit risk exposures analysed by Product. The Company employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Company collects a list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

Forward Looking Information

While estimating the expected credit losses, the Company arrives at forward-looking PD estimates through the incorporation of forward-looking macro-economic factors. The various macro-economic factors considered are Gross Domestic Product (% real change), Consumer Price Index Change (%), Lending Interest Rate (%), Private consumption (% real change), Manufacturing (% real change), Industrial production (% change), Recorded unemployment (%). Product-wise selection of macro-economic factors is done basis the best fitting of the macro indicators with the historical loss trends also taking into account management views, if any, on the drivers of the portfolio. Apart from considering the base case of the macro outlook, two more scenarios an optimistic and pessimistic views of the outlook are also evaluated taking into account the external market conditions. Appropriate weightage is assigned to each of the scenarios to arrive at the final estimates. Presently, a higher deterioration of the base macro outlook is done to arrive at the pessimistic view and also its weightage has been increased vis-a-vis pre-Covid levels in view of external conditions. The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Credit Quality

The Company has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates lifetime PD (Stage 1, Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/default rate is then used to build the PD term structure.

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

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

Trade receivables
Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Company creates ECL on trade receivable balances in line with ECL policy.

Cash and cash equivalents, other bank balance and other financial assets
The Company has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

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

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

Write off policy

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

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

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

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

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

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31,2024**
Maximum exposure to credit risk	1,020.27	849.46

ii. Liquidity Risk
Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

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

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to manage Liquidity Risk
The Company manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (payable along with interest outgo*).

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

Particulars	Less than 3 months	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities						
Trade payables	15.33	-	-	-	-	**15.33**
Other payables	-	-	-	-	-	**-**
Other financial liabilities	108.99	-	-	-	-	**108.99**
Total undiscounted financial liabilities	124.32	-	-	-	-	**124.32**

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

Particulars	Less than 3 months	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities						
Trade payables	26.43	-	-	-	-	**26.43**
Other payables	-	-	-	-	-	**-**
Other financial liabilities	-	-	-	-	-	**-**
Total undiscounted financial liabilities	26.43	-	-	-	-	**26.43**

iii. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

iv. Foreign Currency Risk

The Company does not have foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

v. Interest rate risk

The interest rate risk is the vulnerability of the Company's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Company's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Company and the governance and monitoring policies for interest rate risk management.

Sensitivity analysis

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

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.

(All amounts in ₹ Lakhs unless otherwise stated)

Additional disclosures required by the Reserve Bank of India (RBI)
(Disclosures are made as per Ind AS financial statements except otherwise stated)

30 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.

31 Details of CSR expenses

Company has net loss in terms of last three years profits, hence there is no liability towards CSR activities as specified under Section 135 of the Companies Act, 2013.

32 Credit rating
Company doesn't have any credit ratings during current and previous years

33 Capital adequacy ratio

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31,2024**
i) CRAR (%)	**86.19%**	**94.31%**
ii) CRAR - Tier I Capital (%)	84.93%	94.31%
iii) CRAR - Tier II Capital (%)	1.25%	0.00%

34 Investments

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

Additional disclosures required by the Reserve Bank of India (RBI)
(Disclosures are made as per Ind AS financial statements except otherwise stated)

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

Details of financial assets sold to securitisation

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

(All amounts in ₹ Lakhs unless otherwise stated)

35.1 Details of assignment transactions undertaken by the Company

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

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

S. No.	Particulars	For the year ended March 31, 2025	For the quarter ended March 31, 2025
1	Number of Loans	1,311	-
2	Aggregate amount	331.91	-
3	Sale consideration	298.72	-
4	Number of Transactions	1	-
5	Weighted average remaining Maturity(In months)	24	-
6	Weighted average holding period after Origination(In months)	24	-
7	Retention of beneficial economic interest	14%	0%
8	Coverage of tangible Security Coverage		-
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	-

Details of transfer through Co-lending akin to Direct Assignment during the year and quarter ended March 31, 2025:
The Company has transferred loans through Co-lending arrangements under CLM 2 model to the respective participating bank which are akin to Direct Assignment transaction under circular no.RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21, dated November 05, 2020 pertaining to Co-lending by banks and NBFCs to priority sector.

S. No.	Particulars	For the year ended March 31, 2025	For the quarter ended March 31, 2025
1	Number of Loans	-	-
2	Aggregate amount	-	-
3	Sale consideration	-	-
4	Number of Transactions	-	-
5	Weighted average remaining Maturity(In months)	-	-
6	Weighted average holding period after Origination(In months)	-	-
7	Retention of beneficial economic interest	0%	0%
8	Coverage of tangible Security Coverage	-	-
9	Rating wise distribution of rated loans	-	-
10	Number of instances (transactions) where transferred as agreed to replace the	-	-
11	Number of transferred loans replaced	-	-

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

35.2 Details of non-performing financial assets purchased/sold

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
i)	No. of accounts	-	-
ii)	Total amount outstanding	-	-

Note: The Company has neither sold nor purchased non-performing financial assets during the year ended March 31, 2025 and March 31, 2024.

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

(All amounts in ₹ Lakhs unless otherwise stated)

36 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	-	-	-	-	-	-	-	-	-	-	-
Loans	24.97	27.94	40.21	94.51	91.58	248.69	338.73	142.31	11.32	-	**1,020.27**
Investments	-	-	-	-	-	-	-	-	-	-	-

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

Particulars	Upto 7 days	Over 08 days upto 14 days	Over 15 days upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Loans	20.82	23.30	33.96	78.82	76.38	207.41	282.50	118.69	7.58	-	**849.46**
Investments	-	-	-	-	-	-	-	-	-	-	-

Note:
(i) Above mentioned portfolio (own) does not include undrawn facilities, since there are no sanctioned disbursement schedule.

37 Exposure to real estate sector

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

38 Exposure to capital market

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

39 Sectoral Exposure

Sector	**For the year ended March 31, 2025**			**For the year ended March 31,2024**		
	Total On balancesheet exposure	**Gross NPA**	**Percentage of Gross NPAs to total on balancesheet in that sector**	**Total On balancesheet exposure**	**Gross NPA**	**Percentage of Gross NPAs to total on balancesheet in that sector**
1. Agriculture and Allied Activi	-	-	0.00%	-	-	0.00%
2. Industry	-	-	0.00%	-	-	0.00%
3. Services	-	-	0.00%	-	-	0.00%
4. Personal Loans	-	-	0.00%	-	-	0.00%
5. Others	-	-	0.00%	-	-	0.00%
(i) Corporate Borrowers	-	-	0.00%	-	-	0.00%
(ii) Others	1,020.27	11.32	1.11%	849.46	7.58	0.89%

40 Intra-group exposures

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

41 Unhedged foreign currency exposure

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

42 Details of financing of parent company products

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

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

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

44 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 of ₹ 0 lakhs (March 31, 2024: ₹ 0 lakhs) disclosed in Note 7 are without any collateral or security.")

(All amounts in ₹ Lakhs unless otherwise stated)

45 Registration obtained from other financial sector regulators:-

The Company is registered with the following other financial sector regulators:
(a) Ministry of Corporate Affairs (MCA)

46 Related party transactions

Please refer to Note No. 26 for related party transactions and related disclosures.

47 Provisions and contingencies

Asset Classification as per RBI Norms March 31, 2025	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**5=3-4**	**6**	**7 = 4-6**
Performing assets						
Standard	Stage 1	971.68	20.40	951.28	3.89	16.51
	Stage 2	37.27	16.54	20.72	0.15	16.39
Subtotal		**1,008.94**	**36.94**	**972.00**	**4.04**	**32.91**
Non-Performing assets (NPA)						
Substandard	Stage 3	11.32	7.97	3.35	1.13	6.84
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		**11.32**	**7.97**	**3.35**	**1.13**	**6.84**
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	971.68	20.40	951.28	3.89	16.51
	Stage 2	37.27	16.54	20.72	0.15	16.39
	Stage 3	11.32	7.97	3.35	1.13	6.84
	Total	**1,020.27**	**44.91**	**975.35**	**5.17**	**39.74**

(All amounts in ₹ Lakhs unless otherwise stated)

Asset Classification as per RBI Norms March 31, 2024	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**5=3-4**	**6**	**7 = 4-6**
Performing assets						
Standard	Stage 1	838.56	21.88	816.68	3.35	18.53
	Stage 2	3.32	1.59	1.73	0.01	1.58
Subtotal		**841.88**	**23.47**	**818.41**	**3.37**	**20.11**
Non-Performing assets (NPA)						
Substandard	Stage 3	7.58	4.67	2.91	0.76	3.91
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		**7.58**	**4.67**	**2.91**	**0.76**	**3.91**
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	838.56	21.88	816.68	3.35	18.53
	Stage 2	3.32	1.59	1.73	0.01	1.58
	Stage 3	7.58	4.67	2.91	0.76	3.91
	Total	**849.46**	**28.14**	**821.32**	**4.13**	**24.02**

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

47.1 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, 2025	For the year ended March 31,2024
Provision towards NPA	7.97	4.67
Provision for standard assets	36.94	23.47

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

(All amounts in ₹ Lakhs unless otherwise stated)

48 Draw down from reserves

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

49 Gold Loans

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

50 Concentration of deposits, advances, exposures and NPAs

50.1 Concentration of advances

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31,2024**
Total advances to twenty largest borrowers	14.20	14.71
Percentage of advances to twenty largest borrowers to total advances of the NBFC	1.39%	1.73%

50.2 Concentration of exposures

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31,2024**
Total exposure to twenty largest borrowers/customers	14.20	14.71
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC borrowers/customers	1.39%	1.73%

50.3 Concentration of NPAs

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31,2024**
Total exposure to top four NPA accounts	1.56	1.12

(All amounts in ₹ Lakhs unless otherwise stated)

51 Movement of NPAs

Particulars			For the year ended March 31, 2025	For the year ended March 31, 2024
(i)	**Net NPAs to net advances (%)**		0.33%	0.34%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	7.58	6.23
	(b)	Additions during the year	42.10	1.35
	(c)	Reductions during the year	(38.35)	-
	(d)	**Closing balance**	**11.32**	**7.58**
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	2.91	2.51
	(b)	Additions during the year	0.44	0.40
	(c)	Reductions during the year	-	-
	(d)	**Closing balance**	**3.36**	**2.91**
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
	(a)	Opening balance	4.67	3.72
	(b)	Provisions made during the year	41.65	0.94
	(c)	(Write-off)/write-back of excess provisions	(38.35)	-
	(d)	**Closing balance**	**7.97**	**4.67**

(All amounts in ₹ Lakhs unless otherwise stated)

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

	Particulars	For the year ended March 31, 2025		For the year ended March 31,2024	
	Liabilities side:	**Outstanding**	**Overdue**	**Outstanding**	**Overdue**
1	**Loans and advances availed by the Non-Banking Financial Company inclusive of interest accrued**				
	(a) Debentures				
	: Secured	-	-	-	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of Public deposits)				
	(b) Deferred credits	-	-	-	-
	(c) Term loans	-	-	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial paper	-	-	-	-
	(f) Public deposits	-	-	-	-
	(g) Other loans:				
	Other unsecured loans against assets of the Company	-	-	-	-
	Secured loans against assets of the Company	-	-	-	-
	Overdraft facility	-	-	-	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a) In the form of unsecured debentures	-	-	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
	(c) Other public deposits	-	-	-	-

	Assets side :	As at March 31, 2025 Outstanding	As at March 31, 2024 Outstanding
3	**Break-up of Loans and advances including bills receivables (other than those included in (4) below) :**		
	(a) Secured	-	-
	(b) Unsecured	-	-
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)	-	-

52 Disclosure as required by Para 19 of Non-Banking Financial Company – systemically important non-deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 is as under:

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

(All amounts in ₹ Lakhs unless otherwise stated)

52 Disclosure as required by Para 19 of Non-Banking Financial Company – systemically important non-deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 is as under:

52.1 Borrower group-wise classification of assets financed:

Category	As at March 31, 2025				As at March 31, 2024			
	Secured	Unsecured	Provision	Total	Secured	Unsecured	Provision	Total
1. Related parties								
(a) Subsidiaries	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-
2. Other than related parties	-	1,020.27	(44.91)	975.35	-	849.46	(28.14)	821.32
Total	**-**	**1,020.27**	**(44.91)**	**975.35**	**-**	**849.46**	**(28.14)**	**821.32**

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

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

52.3 Other information

Category	As at March 31, 2025	As at March 31, 2024
(i) Gross Non-Performing assets		
(a) Related parties	-	-
(b) Other than related parties	11.32	7.58
(ii) Net Non-Performing assets		
(a) Related parties	-	-
(b) Other than related parties	3.36	2.91

53 Public disclosure on Liquidity risk management

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

As at March 31, 2025

Number of significant counterparties	Amount	% of Total Deposit	% of Total Liabilities
NA	NA	NA	NA

As at March 31, 2024

Number of significant counterparties	Amount	% of Total Deposit	% of Total Liabilities
NA	NA	NA	NA

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)

As at March 31, 2025

Amount	% of Total Borrowings
NA	NA

As at March 31, 2024

Amount	% of Total Borrowings
NA	NA

d) Funding concentration based on significant instrument / product

Name of the instrument/ product	As at March 31, 2025	% of Total Liabilities	As at March 31, 2024	% of Total Liabilities
Term loans from Banks	NA	NA	NA	NA
Term Loans from Financial Institutions	NA	NA	NA	NA
Non Convertible debentures	NA	NA	NA	NA

e) Stock Ratios

As at March 31, 2025

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

As at March 31, 2024

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

(All amounts in ₹ Lakhs unless otherwise stated)

***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 (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 vie Notification No. DNBS (PD) CC.No206/03.10.001/2010-11 dated January 5th, 2011.

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

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
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.	-	-

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

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

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

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

(All amounts in ₹ Lakhs unless otherwise stated)

57 Customer complaints

Particulars	For the year ended March 31, 2025	For the year ended March 31,2024
Complaints received from its customers		
1) Number of complaints pending at the beginning of the year	-	-
2) Number of complaints received during the year	2	-
3) Number of complaints disposed during the year	2	-
- Out of which, number of complaints rejected	-	-
4) Number of complaints pending at the end of the year	-	-
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)	-	-

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**
	For the year ended March 31, 2025				
Insurance claim settlement	-	-	0%	-	-
Digital Transactions	-	-	0%	-	-
Credit Bureau Report	-	-	0%	-	-
Recovery Practices	-	-	0%	-	-
Discourteous	-	-	0%	-	-
Loan Related	-	2	0%	-	-
Others	-	-	0%	-	-
Total	**-**	**2**	**0%**	**-**	**-**
	For the year ended March 31,2024				
Insurance claim settlement	-	-	0%	-	-
Digital Transactions	-	-	0%	-	-
Credit Bureau Report	-	-	0%	-	-
Recovery Practices	-	-	0%	-	-
Discourteous	-	-	0%	-	-
Loan Related	-	-	0%	-	-
Others	-	-	0%	-	-
Total	**-**	**-**	**0%**	**-**	**-**

58 Information on instances of fraud

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

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount Provided
Fraud committed by staff	-	-	-	-
Fraud committed by other than staff - Theft	-	-	-	-

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

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount Provided
Fraud committed by staff	-	-	-	-
Fraud committed by other than staff - Theft	-	-	-	-

(All amounts in ₹ Lakhs unless otherwise stated)

59 Analytical Ratios

Ratios	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Variance
Capital to risk-weighted assets ratio (CRAR)	890.21	1,032.90	86.19%	94.31%	-8.61%
Tier I CRAR	877.29	1,032.90	84.93%	94.31%	-9.94%
Tier II CRAR	12.92	1,032.90	1.25%	0.00%	NA

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

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

62 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, 2025 and March 31, 2024.

c) The Company has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2025 and March 31, 2024.

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 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 accounting standards.

63 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.

64 Previous year comparatives

Figures of the previous period have been regrouped, wherever necessary, to conform to the classification / disclosure adopted in the current year.

For and on behalf of the Board of Directors of
Avanti Microfinance Private Limited
CIN: U65929KA2016PTC138292

As per our report of even date
P V Menon & Associates
Chartered Accountants
Firm Registration No.: 02066S

RAHUL GUPTA Digitally signed by RAHUL GUPTA Date: 2025.05.27 10:47:50 +05'30'

Rahul Gupta
Director
DIN: 09247626

Bengaluru
May 27, 2025

MANISH PURSHOTTAM THAKKAR Digitally signed by MANISH PURSHOTTAM THAKKAR Date: 2025.05.27 10:52:18 +05'30'

Manish Thakkar
Director
DIN: 03233206

Bengaluru
May 27, 2025

DARSHIL HARISH MEHTA Digitally signed by DARSHIL HARISH MEHTA Date: 2025.05.27 10:39:46 +05'30'

Darshil Mehta
Company Secretary
ACS: 61030

Bengaluru
May 27, 2025

PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Digitally signed by PARAMESWARAN KOLLANGODE BALASUBRAMANIAN Date: 2025.05.27 12:32:32 +05'30'

K B Parameswaran
Partner
Membership No.202735

Bengaluru
May 27, 2025