NOTICE

Notice is hereby given that the 31st Annual General Meeting ("**AGM**") of the Shareholders of Avanse Financial Services Limited ("**the Company**") will be held on **Friday, July 12, 2024**, at 2:00 PM (Indian Standard Time) through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") to transact the business mentioned hereinafter.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company situated at Times Square Building, E Wing, 4th Floor, Opposite Mittal Industrial Estate, Gamdevi, Andheri-Kurla Road, Marol, Andheri (East), Mumbai 400 059, Maharashtra, which shall be deemed venue of the AGM.

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   a. the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors' thereon;
   b. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the report of the Auditors' thereon.

2. **To appoint a Director in place of Mr. Narendra Ostawal (DIN: 06530414), who retires by rotation and being eligible, offers himself for re-appointment**

3. **To appoint Auditors of the Company**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act 2013, as amended, and the rules framed thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), including the Companies (Audit and Auditors) Rules 2014, as amended, (collectively the "**Companies Act**"), the Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021 issued by the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other applicable rules, regulations, guidelines, press notes, clarifications, circulars and notifications issued by the Government of India, SEBI, RBI and any other applicable laws, rules and regulations, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) (collectively, the "**Applicable Laws**"), and in accordance with the provisions of the memorandum of association ("**Memorandum of Association**") and the articles of association ("**Articles of Association**") of the Company, M/s. Walker Chandiok & Co LLP, Firm of Chartered Accountants (Firm Registration Number: 001076N/N500013 issued by the Institute of Chartered Accountants of India), be and is hereby appointed as the Auditors of the Company, to hold office for a period of 3 (three) consecutive years commencing from the conclusion of the 31st Annual General Meeting of the Shareholders of the Company till the conclusion of the 34th Annual General Meeting of the Shareholders of the Company on such terms and conditions and for such fees and remuneration as may be approved by the Board of Directors of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including sub-delegation of any authorities, to give effect to these resolutions and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board of Directors to secure any further consent or approval of the Shareholders of the Company."

SPECIAL BUSINESS(ES):

4. **To approve the appointment of Mr. Hemant Mundra (DIN: 08192978) as a Non-Executive (Nominee) Director of the Company**

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

"**RESOLVED THAT** pursuant to (i) the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, including the Companies (Appointment and Qualification of Directors) Rules 2014, (collectively the "**Companies Act**"), (ii) the provisions of the Master Direction – Reserve Bank of India ("**RBI**") (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023; (iii) the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (iv) any other applicable rules, regulations, guidelines, press notes, clarifications, circulars and notifications issued by the Government of India, SEBI, RBI and any other applicable laws, rules and regulations, in India or outside India, (collectively the "**Applicable Laws**", each as amended, modified or re-enacted and for the time being in force), and in accordance with the provisions of the memorandum of association ("**Memorandum of Association**") and the articles of association ("**Articles of Association**") of the Company, the Shareholders' agreement dated March 6, 2024 read with the Amendment and Waiver Agreement to the Shareholders' agreement dated June 20, 2024 and further in accordance with the approval received from RBI vide their letter dated July 1, 2024 and based on the recommendation from the Nomination, Remuneration and Compensation Committee and Board of Directors of the Company, Mr. Hemant Mundra (DIN: 08192978), who was appointed as an Additional Director (Non-Executive) of the Company w.e.f. July 1, 2024 to hold office up to the date of this Annual General Meeting and who qualifies for being appointed as a Non-Executive Director, being eligible, be and is hereby appointed as a Non-Executive (Nominee) Director of the Company, whose office shall be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including sub-delegation of any authorities, to give effect to these resolutions and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board of Directors to secure any further consent or approval of the Shareholders of the Company."

5. **To approve the appointment of Mr. Sunish Sharma (DIN: 00274432) as a Non-Executive (Nominee) Director of the Company**

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

"**RESOLVED THAT** pursuant to (i) the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, including the Companies (Appointment and Qualification of Directors) Rules 2014, (collectively the "**Companies Act**"), (ii) the provisions of the Master Direction – Reserve Bank of India ("**RBI**") (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023; (iii) the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (iv) any other applicable rules, regulations, guidelines, press notes, clarifications, circulars and notifications issued by the Government of India, SEBI, RBI and any other applicable laws, rules and regulations, in India or outside India, (collectively the "**Applicable Laws**", each as amended, modified or re-enacted and for the time being in force), and in accordance with the provisions of the memorandum of association ("**Memorandum of Association**") and the articles of association ("**Articles of Association**") of the Company, the Shareholders' agreement dated March 6, 2024 read with the Amendment and Waiver Agreement to the Shareholders' agreement dated June 20, 2024 and further in accordance with the approval received from RBI vide their letter dated July 1, 2024 and based on the recommendation from the Nomination, Remuneration and Compensation Committee and Board of Directors of the Company, Mr. Sunish Sharma (DIN: 00274432), who was appointed as an Additional Director (Non-Executive) of the Company w.e.f. July 1, 2024 to hold office up to the date of this Annual General Meeting and who qualifies for being appointed as a Non-Executive Director, being eligible, be and is hereby appointed as a Non-Executive (Nominee) Director of the Company, whose office shall be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including sub-delegation of any authorities, to give effect to these resolutions and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board of Directors to secure any further consent or approval of the Shareholders of the Company."

6. **To approve the appointment of Mr. Luca Molinari (DIN: 10615114) as a Non-Executive (Nominee) Director of the Company**

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

   "**RESOLVED THAT** pursuant to (i) the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, including the Companies (Appointment and Qualification of Directors) Rules 2014, (collectively the "**Companies Act**"), (ii) the provisions of the Master Direction – Reserve Bank of India ("**RBI**") (Non-Banking Financial Company – Scale Based Regulations) Directions, 2023; (iii) the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (iv) any other applicable rules, regulations, guidelines, press notes, clarifications, circulars and notifications issued by the Government of India, SEBI, RBI and any other applicable laws, rules and regulations, in India or outside India, (collectively the "**Applicable Laws**", each as amended, modified or re-enacted and for the time being in force), and in accordance with the provisions of the memorandum of association ("**Memorandum of Association**") and the articles of association ("**Articles of Association**") of the Company, the Shareholders' agreement dated March 6, 2024 read with the Amendment and Waiver Agreement to the Shareholders' agreement dated June 20, 2024 and further in accordance with the approval received from RBI vide their letter dated July 1, 2024 and based on the recommendation from the Nomination, Remuneration and Compensation Committee and Board of Directors of the Company, Mr. Luca Molinari (DIN: 10615114), who was appointed as an Additional Director (Non-Executive) of the Company w.e.f. July 1, 2024 to hold office up to the date of this Annual General Meeting and who qualifies for being appointed as a Non-Executive Director, being eligible, be and is hereby appointed as a Non-Executive (Nominee) Director of the Company, whose office shall be liable to retire by rotation;

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including sub-delegation of any authorities, to give effect to these resolutions and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board of Directors to secure any further consent or approval of the Shareholders of the Company."

7. **To approve issue of Non-Convertible Debentures**

   To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 23, 42, 71 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any including any statutory modification(s) or re-enactment(s) thereof for the time being in force ("**the Companies Act**"), the relevant provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions of the Securities and Exchange Board of India ("**SEBI**") (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the applicable provisions of the Foreign Exchange Management Act, 1999 (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) ("**FEMA**") and any rules and / or regulations made thereunder, the Consolidated Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**GOI**"), and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, promulgated or issued by the GOI, the Ministry of Corporate Affairs ("**MCA**"), the Reserve Bank of India ("**RBI**"), SEBI, any stock exchange, where the Debentures of the Company are listed or proposed to be listed and subject to requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such terms and conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and in pursuance to the approval which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), approval of the Shareholders of the Company be and is hereby accorded to create, offer, issue and allot, such number of Secured / Unsecured / Perpetual / Senior / Subordinated / Market Linked or such other form of Non-Convertible Debentures and / or Bonds ("**Debentures**") at par or at premium, as permitted under applicable law, in such manner and on such terms and conditions including but not limited to security, rate of interest, tenure, redemption etc., as may be deemed appropriate by the Board, in one or more tranches, for cash, for an aggregate amount upto Rs. 5,000 crores or equivalent thereof, by way of public issue, private placement or any combination thereof or by any other permissible mode, whether listed or unlisted to such person or persons including to resident Indians, non-resident Indians, foreign portfolio investors ("**FPIs**"), qualified institutional buyers ("**QIBs**"), venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, provident funds, pension funds, financial institutions, development financial institutions, multilateral and bilateral financial institutions, banks, non-banking finance companies, bodies corporate, companies, private or public, or other entities, authorities or to any class of investors and to such other persons, ("**Investors**"), in one or more combinations thereof, during a period of 1 (one) year from the date of passing of this resolution, at such time or times, at such price or prices subject to compliance with all applicable laws, through issue of placement document or memorandum or general information document or key information document and / or prospectus (including but not limited to shelf prospectus, prospectus, tranche prospectus and abridged prospectus), and / or letter of offer and / or any other permissible mode / requisite offer document ("**Disclosure Documents**") or by way of any other mode as decided by the Board and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment of the Debentures shall be made, considering the prevailing market conditions and other relevant factors ("**the Issue**");

RESOLVED FURTHER THAT the aggregate amount of the Debentures to be raised shall not exceed the overall borrowing limit of the Company as approved by the Members of the Company from time to time;

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary including delegation of any powers, and with further powers on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard, without requiring the Board to secure any further consent or approval of the members of the Company."

By Order of the Board of Directors
For Avanse Financial Services Limited

Rajesh Gandhi
Company Secretary and Compliance Officer
ICSI Membership No.: A-19086

Date: July 11, 2024
Place: Mumbai

Registered Office:

Times Square Building, E Wing, 4th floor,
Opp. Mittal Industrial Estate, Gamdevi,
Andheri-Kurla Road, Marol, Andheri (East),
Mumbai 400 059, Maharashtra
CIN No.: U67120MH1992PLC068060
Email: investorrelations@avanse.com
Website: www.avanse.com
Tel. No.: 022 6859 9999 Fax No.: 022 6859 9900

Notes for Shareholders' attention:

1. **Explanatory Statement:** Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("**the Companies Act**") setting out material facts concerning Special Businesses (Item No. 4 to 7) to be transacted at the AGM. is annexed hereto. In addition to the above, additional information with respect to Ordinary Business set out at item no. 3 is also provided in the Explanatory Statement.

2. **Convening of AGM through VC / OAVM:** The Ministry of Corporate Affairs, vide its General Circular no. 09/2023 dated September 25, 2023 read with General Circular no. 20/2022 dated May 5, 2020, General Circular No. 02/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022 (collectively referred to as "**MCA Circulars**"), have permitted convening the Annual General Meeting through VC or OAVM without physical presence of the Shareholders. In accordance with the MCA Circular and applicable provisions of the Companies Act, the 31st Annual General Meeting ("**AGM**" or "**the Meeting**") of the Shareholders of the Company is being held through VC / OAVM.

3. **Quorum:** Pursuant to the MCA Circulars, physical attendance of the Shareholders will not be required at the AGM, and attendance of the Shareholders through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. **Proxy:** Since the AGM is being held through VC / OAVM, physical presence of the Shareholders has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Shareholders will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this notice. However, in pursuance of Section 113 of the Act, representatives of the Corporate and other Non-individual members may be appointed for the purpose of voting or for participation and voting in the AGM. The Corporate Members proposing to participate at the meeting through their representative shall forward a scanned copy of the necessary authorization under Section 113 of the Act through email to Companysecretary@avanse.com before the commencement of the AGM.

5. **Electronic dispatch of Notice and Annual Report:** In compliance with the aforesaid MCA Circulars, notice of the AGM along with the Annual Report for the financial year ended March 31, 2024 is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company / Depository(ies). Members can request for hard copy of the Annual Report & AGM notice by sending a request at Companysecretary@avanse.com.

   A copy of the notice of the AGM and the Annual Report is also available on the website of the Company at www.avanse.com and the website of the BSE Limited i.e. www.bseindia.com where the Debentures of the Company are listed.

6. **Voting at the AGM:** In compliance with the MCA Circulars and applicable provisions of the Act and rules framed thereunder, the Shareholders will vote on the proposed agenda items of the Notice convening the AGM, through "Show of Hands", unless a demand for poll is made by any Shareholders in accordance with Section 109 of the Act.

In case a poll is ordered to be taken by the Chairman or demanded in accordance with Section 109 of the Act, Members can cast their vote during the AGM by sending an email to Companysecretary@avanse.com from their registered email addresses.

7. **Instructions for members for attending the AGM through VC/OAVM:**
   a. The AGM shall be conducted using Zoom application. In this connection, the Company Secretary shall send a meeting invite to the registered email addresses of the persons entitled to attend the AGM separately. Shareholders are requested to follow instructions as stated in this notice for participating in the AGM through VC / OAVM.

   b. Facility of joining the AGM through Zoom shall open 15 minutes before the time scheduled for the AGM and Shareholders who may like to express their views or ask questions during the AGM may register themselves by writing to the Company at Companysecretary@avanse.com. Shareholders who do not wish to speak at the AGM may also send their queries / questions in advance by writing to the Company at the aforesaid email address. Shareholders may raise questions during the meeting as well. However, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

   c. Shareholders who need technical assistance before or during the AGM, can contact the undersigned at Companysecretary@avanse.com or at rajesh.gandhi@avanse.com.

   d. Joining the AGM:
      i. Click on the meeting link sent to you by the Company Secretary.
      ii. You will then see the homepage of Zoom meeting. Click on the 'Open Zoom Meetings'.
      iii. If you have already installed Zoom application on your device, then enter meeting ID, your name and click on 'Join Meeting'.
      iv. If you have not installed Zoom application on your device, then click on "Launch Meeting" and then click on "Join from Browser" option on the landing page of Zoom. If you are not able to join the meeting and are getting any error, please clear your browsing cache or cookies and try again.
      v. For better experiencing the proceedings of the AGM, Members are suggested to download the Zoom application. The application can be downloaded on smartphones also by visiting the 'Google play store' for android users and 'App Store' for iOS users.

8. **Registers and records:** The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act and all the relevant documents referred to in the Notice, including explanatory statement, will be available for electronic inspection without any fee by the Shareholders from the date of circulation of this Notice upto the date of AGM and also during the AGM. Shareholders seeking to inspects the documents may send an e-mail to companysecretary@avanse.com or rajesh.gandhi@avanse.com.

9. In this Notice, the term Member(s) or Shareholder(s) are used interchangeably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE ACT

The following Explanatory Statement pursuant to Section 102 of the Act sets out all material facts relating to the Special Business mentioned in Item no. 4 to 7 of the accompanying notice of the AGM of the Company along with additional information with respect to Ordinary Business set out at Item No. 3.

Item No. 3:
To appoint Auditors of the Company;

The Members of the Company are informed that pursuant to RBI Notification No. RBI/2021-22/25 dated April 27, 2021 concerning the Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI ("**RBI Guidelines**"), Regulated Entities, as defined under the RBI Guidelines and which includes the Company, are required to appoint the SCAs/SAs for a continuous period of 3 (three) years, subject to the firm satisfying the eligibility norms each year. Further, such audit firm would not be eligible for re-appointment in the same entity for six years (two tenures) after completion of full or part of one term of the audit tenure.

The Members of the Company had, at their 28th AGM held on September 6, 2021, appointed M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) as the Auditors of the Company to hold office for a term of 3 (three) consecutive years from the conclusion of 28th AGM until the conclusion of the 31st AGM of the Company. Accordingly, M/s. S.R. Batliboi & Co. LLP will complete their present term of continuous period of 3 (three) years on conclusion of this AGM.

The Board of Directors of the Company has, at their meeting held on November 7, 2023 and reconvened on November 8, 2023, after considering various factors such as industry experience, expertise and competency, independence of the audit firm and based on the recommendation of the Audit Committee, approved and recommended to the Members the appointment of M/s. Walker Chandiok & Co LLP, firm of Chartered Accountants (Firm Registration No. 001076N/N500013), as Auditors of the Company for a period of 3 (three) consecutive years commencing from the conclusion of the 31st AGM till the conclusion of the 34th AGM of the Members of the Company.

M/s. Walker Chandiok & Co LLP has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also confirmed that they meet the criteria for independence, eligibility and qualification for appointment in terms of the Act and the RBI Guidelines.

The terms and conditions and remuneration to be paid to M/s. Walker Chandiok & Co LLP, firm of Chartered Accountants shall be as approved by the Board of Directors of the Company on the recommendation of the Audit Committee.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 3 of the AGM Notice.

The Board recommends the Ordinary Resolution as set out at Item No. 3 of this Notice for approval by the Members.

Item Nos. 4 to 6:
To consider and approve appointment of Mr. Hemant Mundra (DIN: 08192978), Mr. Sunish Sharma (DIN: 00274432) and Mr. Luca Molinari (DIN: 10615114) as Non-Executive Director(s) of the Company

Pursuant to the Shareholders' agreement dated March 6, 2024 read with the Amendment and waiver agreement to the Shareholders' agreement dated June 20, 2024, Olive Vine Investment Ltd ("**Olive Vine**") has right to appoint majority of Directors on the Board of Directors of the Company and Kedaara Capital Growth Fund III LLP alongwith any of its associates who are members of the Compnay ("**Kedaara Capital**") and Alpha Investment Company LLC ("**AIC**") have a right to appoint one nominee director each on the Board of Directors of the Company.

Based on the request from the above shareholders and further based on the recommendation of the nomination, remuneration and compensation committee of the Company, the Board of Directors of the Company approved, subject to receipt of prior approval / no-objection from RBI, the appointment of Mr. Hemant Mundra, Mr. Sunish Sharma and Mr. Luca Molinari as additional directors to hold office from the Effective Date (i.e. the date of receipt of RBI approval or such other date as may be specified by RBI) till the date of the annual general meeting to held post the Effect Date.

The RBI has, vide its letter dated July 1, 2024, approved the appointment of Mr. Hemant Mundra, Mr. Sunish Sharma and Mr. Luca Molinari as Directors of the Company. Pursuant to the Board's approval and provisions of the Companies Act, the aforesaid Directors shall hold office upto the date of the 31st AGM of the Members of the Company.

Mr. Hemant Mundra, Mr. Sunish Sharma and Mr. Luca Molinari are not disqualified from being appointed as a Director in terms of the provisions of the Companies Act and have given their consent to be appointed as the Non-Executive Director(s) of the Company.

Brief profile of the Directors along with details required as per Secretarial Standards on General Meetings is given in the Annexure which forms part of this Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item nos. 4 to 6 of the AGM Notice.

The Board recommends the appointment of Mr. Hemant Mundra (as nominee of Olive Vine), Mr. Sunish Sharma (as nominee of Kedaara Capital) and Mr. Luca Molinari (as nominee of AIC) by passing Ordinary Resolutions as set out at Item No. 4 to 6 of this Notice by the Members.

Item No. 7:
Issue of Non-Convertible Debentures

To meet its funds requirements, the Company has been issuing non-convertible debentures / Bonds ("**NCDs**"), as one of the option for raising money from time to time, for onward lending business of the Company and / or general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable statues, acts, laws, guidelines and directions.

The Members of the Company at their 30th AGM held on September 27, 2023, approved the issuance of NCDs up to an amount of Rs. 5,000 crore during a period of one year from the date of the said AGM.

The Board of Directors of the Company has, at their meeting held on April 30, 2024, proposed to approve the same limit of Rs. 5,000 crore for raising funds by way of issue of Secured / Unsecured / Perpetual / Senior / Subordinated / Market Linked or such other form of NCDs by way of public issue, private placement or any combination thereof or by any other permissible mode in one or more tranches / series.

Pursuant Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, prior approval of the Members of the Company by way of Special Resolution is required once in a year for all the offer or invitation for issue of NCDs to be made during the year on private placement basis.

Disclosure as per provisions of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is as follows:

1	Particulars of the offer including the date of passing of Board resolution and the amount which the Company intends to raise by way of such securities;	Issue of such number of NCDs, from time to time, in one or more tranches, carrying such terms and conditions as may be decided by the Board (as more specifically set-out in special resolution in Item No. 7 of the Notice convening AGM) for an amount up to Rs. 5,000 crore within a period of one year from the date of passing the aforesaid special resolution. The issue has been approved by the Board at their meeting held on April 30, 2024.
2	Kind of securities offered and the price at which security is being offered	NCDs at a price as may be decided by the Board from time to time.
3	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	As may be decided by the Board pursuant to the applicable laws.
4	Name and address of valuer who performed valuation	Not applicable.

5	Intention of promoters, directors or key managerial personnel to subscribe to the offer / Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects of the offer.	The promoters, directors or key managerial personnel of the Company do not intend to subscribe to the offer. Any such contribution shall be subject to and in compliance with the applicable laws.
6	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, principle terms of assets charged as securities:	As may be decided by the Board pursuant to the applicable laws.

Therefore, approval is sought from the Members in connection with the aforesaid issue of NCDs and to authorize the Board to issue NCDs upto an amount of Rs. 5,000 Crore as stipulated in the resolution set out in Item No. 7, during the period of one year from the date of passing of the said resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item no. 7 of the AGM Notice.

The Board recommends the Special Resolution as set out at Item No. 7 of this Notice for approval by the Members.

By Order of the Board of Directors
For Avanse Financial Services Limited

Rajesh Gandhi
Company Secretary and Compliance Officer
ICSI Membership No.: A-19086

Date: July 11, 2024
Place: Mumbai

Registered Office:
Times Square Building, E Wing, 4th floor,
Opp. Mittal Industrial Estate, Gamdevi,
Andheri-Kurla Road, Marol, Andheri (East),
Mumbai 400 059, Maharashtra
CIN No.: U67120MH1992PLC068060
Email: investorrelations@avanse.com
Website: www.avanse.com
Tel. No.: 022 6859 9999 Fax No.: 022 6859 9900

ANNEXURE

Details of Directors seeking appointment / re-appointment vide this Notice, pursuant to the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India:

(i) Mr. Narendra Ostawal

Name of the Director	Mr. Narendra Ostawal
Director Identification Number	06530414
Age (in years)	47
Qualification	Mr. Ostawal has cleared the final examination for bachelor's degree in commerce from the Bangalore University, Bengaluru and has cleared the final examination for post graduate diploma in management from the Indian Institute of Management, Bangalore. He has cleared the final examination held by the Institute of Chartered Accountants of India. He also attended the international executive business program at the University of Chicago's Graduate School of Business as an exchange scholar.
Brief Profile and Experience	Mr. Ostawal has been associated with Warburg Pincus India Private Limited since 2007 where he currently holds the position of managing director and leads the Warburg Pincus India Private Limited's investment advisory activities in India. He has previously worked with organizations like 3i India Private Limited and McKinsey & Company, Inc.
Terms and Conditions of re-appointment	Re-appointment as Non-Executive Director liable to retire by rotation
Remuneration proposed to be paid	Nil
Remuneration last drawn	Nil
Date of first appointment on the Board	July 30, 2019
Shareholding in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	No
Number of Meetings of the Board attended during the Financial Year 2023-24	Attended 7 (seven) out of 8 (eight) Board Meetings held during the Financial Year 2023-24
List of other Directorships as on date of this Notice	Warburg Pincus India Private Limited, Fusion Mirco Finance Limited, Carmel Point Investments India Private Limited, IndiaFirst Life Insurance Company Limited, Home First Finance Company India Limited, Vistaar Financial Services Private Limited and Micro Life Sciences Private Limited
Memberships / Chairmanship of Committees of other Board	1. **Fusion Micro Finance Limited**: Member of Audit Committee, Nomination and Remuneration Committee and Board Risk Management Committee 2. **IndiaFirst Life Insurance Company Limited**: Member of Nomination & Remuneration Committee

	3. **Home First Finance Company India Limited**: Member of Nomination & Remuneration Committee, Committee of Directors and Review Committee and Risk Management Committee 4. **Vistaar Financial Services Private Limited:** Member of Nomination & Remuneration Committee 5. **Warburg Pincus India Private Limited:** Member of CSR Committee

(ii) Mr. Hemant Mundra

Name of the Director	Mr. Hemant Mundra
Director Identification Number	08192978
Age (in years)	36
Qualification	Mr. Mundra holds a bachelor's degree in technology in chemical engineering from the Indian Institute of Technology, Mumbai and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad, where he was a gold medallist (Institute Rank 1). He has also done his CFA from the CFA Institute, USA.
Brief Profile and Experience	Mr. Mundra has over 10 years of experience in the investments in financial services and consumer sectors. He is presently associated with Warburg Pincus India Private Limited as Principal. Prior to that he has worked with organizations like Kedaara Capital Advisors LLP, Rothschild and Deloitte.
Terms and Conditions of appointment	Appointment as Non-Executive (Nominee) Director liable to retire by rotation pursuant to the Shareholders' agreement dated March 6, 2024 read with Amendment and Waiver Agreement to the Shareholders' agreement dated June 20, 2024
Remuneration proposed to be paid	Nil
Remuneration last drawn	Not Applicable
Date of first appointment on the Board	July 1, 2024
Shareholding in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	No
Number of Meetings of the Board attended during the Financial Year 2023-24	Not applicable
List of other Directorships as on date of this Notice	M K Printpack Private Limited, Vistaar Financial Services Private Limited, Terra One Packaging Private Limited, Parksons Packaging Limited and Manohar Packagings Private Limited
Memberships / Chairmanship of Committees of other Board	**Vistaar Financial Services Limited:** Member of Audit Committee, Risk Committee, IT Strategy Committee and Corporate Social Responsibility Committee

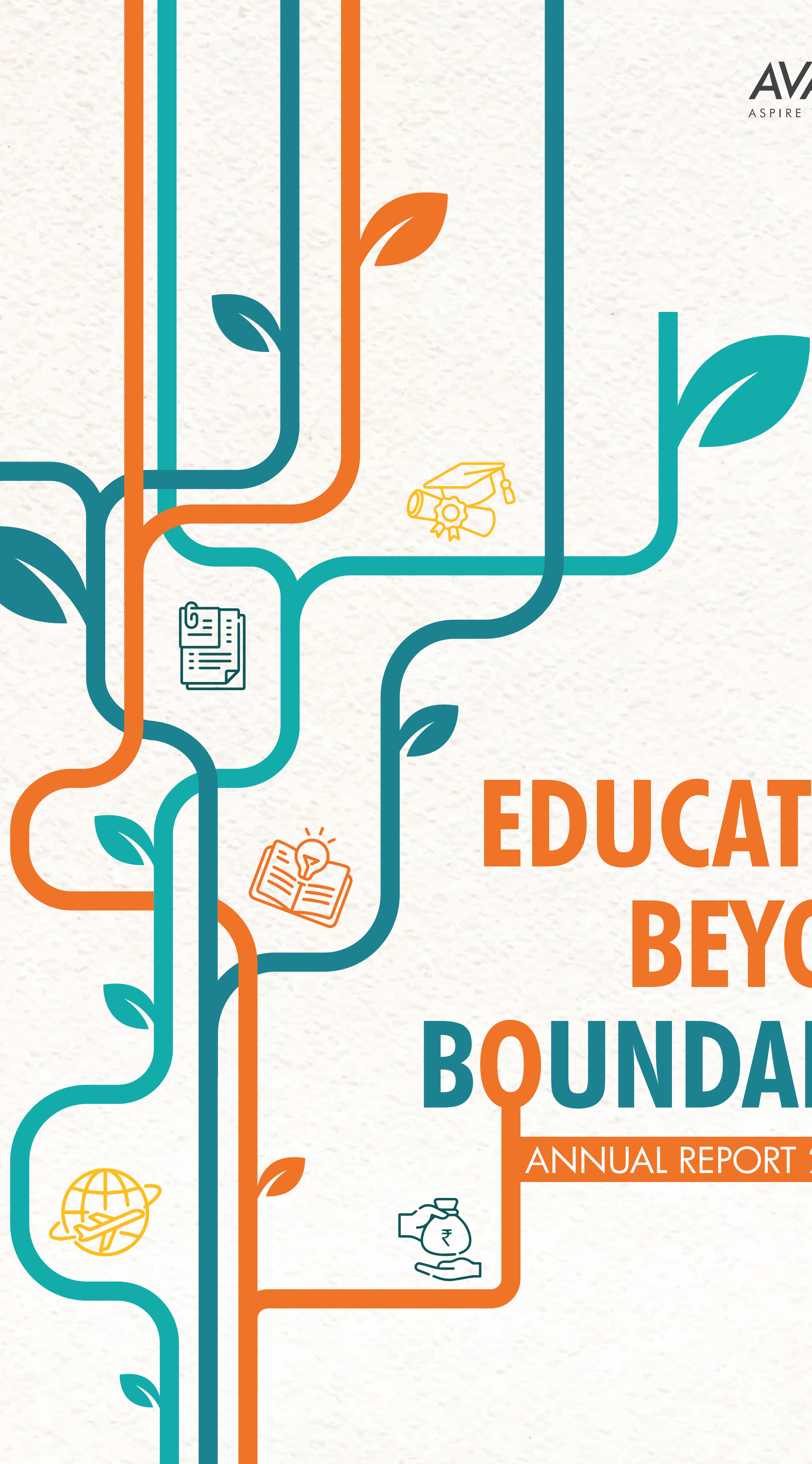
(iii) Mr. Sunish Sharma

Name of the Director	Mr. Sunish Sharma
Director Identification Number	00274432
Age (in years)	50
Qualification	Mr. Sunish Sharma has graduated with honors from Delhi University, Delhi and is a gold medallist from Indian Institute of Management, Calcutta where he did his MBA. He is also a qualified Cost & Work Accountant.
Brief Profile and Experience	Mr. Sharma has over 25 years of experience encompassing the full life-cycle of private equity in India across financial services, consumer, business services & technology, healthcare, and industrial sectors, and across private and public markets. He is the founder and Managing Partner of Kedaara Capital. Prior to founding Kedaara, he has served as a Managing Director at General Atlantic and worked as a management consultant at McKinsey
Terms and Conditions of re-appointment	Appointment as Non-Executive (Nominee) Director liable to retire by rotation pursuant to the Shareholders' agreement dated March 6, 2024 read with Amendment and Waiver Agreement to the Shareholders' agreement dated June 20, 2024
Remuneration proposed to be paid	Nil
Remuneration last drawn	Not Applicable
Date of first appointment on the Board	July 1, 2024
Shareholding in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	No
Number of Meetings of the Board attended during the Financial Year 2023-24	Not applicable
List of other Directorships as on date of this Notice	Care Health Insurance Limited, Vedant Fashions Limited and Spandana Sphoorty Financial Limited
Memberships / Chairmanship of Committees of other Board	**1. Care Health Insurance Limited**: Member of Nomination and Remuneration Committee and IPO Committee **2. Vedant Fashions Limited:** Member of Nomination and Remuneration Committee

(iv) **Mr. Luca Molinari**

Name of the Director	Mr. Luca Molinari
Director Identification Number	10615114
Age (in years)	51
Qualification	Mr. Luca Molinari holds a degree in Economics and Business Administration from Bocconi University in Milan, Italy.
Brief Profile and Experience	Mr. Molinari has over 25 years of experience in private equity, public investing and M&A transaction structuring in Europe, North America, South America and the Middle East. He is currently associated as an Executive Director in Direct Investments with Mubadala Investment Company in Abu Dhabi, where he is responsible for Financial Services and Asia Strategy. Prior to joining Mubadala, he was associated Warburg Pincus and Goldman Sachs. From April 2021 to April 2024 he was a Non-Executive Director of Unicredit, a pan-European banking group.
Terms and Conditions of re-appointment	Appointment as Non-Executive (Nominee) Director liable to retire by rotation pursuant to the Shareholders' agreement dated March 6, 2024 read with Amendment and Waiver Agreement to the Shareholders' agreement dated June 20, 2024
Remuneration proposed to be paid	Nil
Remuneration last drawn	Not Applicable
Date of first appointment on the Board	July 1, 2024
Shareholding in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	No
Number of Meetings of the Board attended during the Financial Year 2023-24	Not applicable
List of other Directorships as on date of this Notice	Nil
Memberships / Chairmanship of Committees of other Board	Nil

AVANSE FINANCIAL SERVICES
ASPIRE WITHOUT BOUNDARIES



EDUCATION BEYOND BOUNDARIES

ANNUAL REPORT 2023 - 2024

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Education Beyond Boundaries

We live in a globalised world where geographical borders are starting to fade. Young individuals no longer feel restricted from studying or pursuing their careers within their own town, city, or country. Instead, they aim to move abroad and gain the best education the world has to offer. However, ever-rising education costs and socio-economic constraints can make it difficult for students to afford the education they aspire for. Avanse has spent 11 years working towards creating a world where education transcends all boundaries. The Company does this in three ways:

Breaking Geographical Barriers

Avanse empowers young Indians and facilitates their education at the best universities across the world. The Company's education financing options empower young learners to dream big.

Strengthening Infrastructure

Avanse offers financing to educational institutions, enabling them to build new facilities and upgrade existing structures so they can meet growing demand and ensure quality education becomes accessible to students across India.

Boosting Lifelong Learning

Avanse is breaking age boundaries, too. The organisation's offerings support professionals looking to upskill, reskill, or make a move to management. Avanse provides financing options for those who want to continue learning.

After a decade of enlightening educational pathways, Avanse will continue to fulfil academic aspirations by enabling students to overcome financial constraints and, thus, making their education dreams a reality.

Organisation Overview

About Avanse

Avanse Financial Services was established in 2013 with the sole purpose of enabling students to achieve their academic aspirations. Being an education-focused NBFC, the Company provides hyper-personalised education financing solutions to every deserving Indian student. The organisation is committed to democratising education and education financing in India.

Warburg Pincus, a leading global private equity firm, holds the majority stake at Avanse Financial Services. The global growth investor is known for its highly diversified portfolio and has over ~$83 billion in assets under management across 260 companies. Kedaara Capital, an operationally oriented private equity firm pursuing control & minority investment opportunities in India, Mubadala Investment Company, a sovereign investor managing a global portfolio aimed at generating sustainable financial returns for the Government of Abu Dhabi, International Finance Corporation (IFC), an arm of the World Bank, and Avendus Future Leaders Fund II, are the other shareholders of the organisation.

Avanse Financial Services has a vast network of students enrolled in 1,550+ educational institutions spanning across 49 countries. Furthermore, as of March 31, 2024, the Company's overall distribution network stands at 1,500+, which includes education counsellors, education loan-focused aggregators (marketplaces) and other loan intermediaries.

Mission

To make education financing seamless and affordable for every deserving Indian student.

Purpose

Democratising education and education financing in India.

Core

No deserving student should miss an opportunity to access quality education due to lack of financing, irrespective of their social strata or co-borrower's financial background.

Geographic Footprint

Corporate and Registered Office

Mumbai Head Office

Sales Representative Office

Coimbatore
Vijayawada
Visakhapatnam
Ludhiana
Vadodara
Lucknow
Bhopal

Branches

Ahmedabad
Bengaluru
Chandigarh
Chennai
Delhi
Hyderabad
Indore
Jaipur
Kolkata
Mumbai
Pune
Raipur

Board of Directors

Mr. Neeraj Swaroop (Chairman and Independent Director)

Mr. Swaroop is the Chairman and Independent Director of our Company. He holds a Bachelor's degree in Technology (Mechanical Engineering) from the Indian Institute of Technology, Delhi and a postgraduate diploma in Management from the Indian Institute of Management, Ahmedabad. He has experience in the banking and financial services sector. He worked with organisations such as HDFC Bank Limited and Standard Chartered Bank. He is currently serving as the director on the board of directors of HDFC Securities Limited, SBFC Finance Limited and Spandana Sphoorty Financial Limited and is an operating partner with Kedaara Capital Fund II LLP.

Ms. Vijayalakshmi R. Iyer (Independent Director)

Ms. Iyer is an Independent Director of our Company. She holds a Master's degree in Commerce from the University of Bombay. Previously, she worked with the Central Bank of India and the Bank of India. She is presently on the board of various companies, including Glenmark Pharmaceuticals Limited, Aditya Birla Capital Limited, ICICI Securities Limited and Computer Age Management Services Limited.

Mr. Ravi Venkatraman (Independent Director)

Mr. Venkatraman is an Independent Director of our Company. An A.C.A. from the Institute of Chartered Accountants of India, Mr. Ravi has completed an I.C.W.A. from the Institute of Cost & Works Accountants of India. He has experience in the banking and financial services sector. He worked with Mahindra & Mahindra Financial Services Limited. He is presently on the board of various companies, including ESAF Small Finance Bank Limited, Kotak Mahindra Prime Limited and SBFC Finance Limited.

Ms. Savita Mahajan (Independent Director)

Ms. Mahajan is an Independent Director of our Company. She holds a Bachelor's degree in Arts (honours) from the University of Delhi and a Postgraduate Diploma in Management from the Indian Institute of Management, Ahmedabad. Previously, she has worked with the Indian School of Business, Hyderabad, Karvy Consultants Limited and Maruti Udyog Limited. She is presently on the board of various companies, including Aurobindo Pharma Limited and India Shelter Finance Corporation Limited.

Mr. Narendra Ostawal (Non-Executive Director)

Mr. Ostawal is a Non-Executive Director of the Company. He holds a Bachelor's degree in Commerce from Bangalore University, a Postgraduate Diploma in Management from the Indian Institute of Management, Bangalore, and a Chartered Accountancy degree from The Institute of Chartered Accountants of India. He also attended the International Executive Business programme at the University of Chicago's Graduate School of Business as an exchange scholar. Mr. Ostawal has been associated with Warburg Pincus India Private Limited since 2007, where he currently holds the position of Managing Director and leads the Warburg Pincus India Private Limited's investment advisory activities in India. Previously, he has worked with 3i India Private Limited and McKinsey & Company Inc.

Board of Directors

Mr. Amit Gainda (Managing Director & Chief Executive Officer)

Mr. Gainda has an illustrious career spanning over two decades in the BFSI sector. He has built businesses focused on sustained growth and profitability through decisive strategic choices in businesses, people, technology, and other organisational competencies. Under his strategic guidance and vision, Avanse Financial Services has strengthened its leadership position in the education financing segment. Mr. Gainda has completed his Postgraduate Programme in Management from the International Management Institute. He has done the INSEAD leadership programme for Senior Indian Executives from INSEAD. Prior to joining Avanse, he worked with GE Money Financial Services Limited, Bajaj Auto Finance Limited, Citicorp Credit Services India Limited, Dewan Housing Finance Corporation Limited and SB Leasing and Finance.

Mr. Hemant Mundra (Additional Director)

Mr. Mundra holds a Bachelor's Degree in Technology in Chemical Engineering from the Indian Institute of Technology, Mumbai, and a Postgraduate Diploma in Management from the Indian Institute of Management, Ahmedabad, where he was a gold medallist (Institute Rank 1). He has also done his CFA from the CFA Institute, USA. He has over 10 years of experience in investments in financial services and consumer sectors. He is presently associated with Warburg Pincus India Private Limited as Principal. Prior to that, he worked with organisations like Kedaara Capital Advisors LLP, Rothschild and Deloitte.

Mr. Sunish Sharma (Additional Director)

Mr. Sharma graduated with honours from Delhi University and is a gold medallist from the Indian Institute of Management, Calcutta, where he did his MBA. He is also a qualified Cost & Work Accountant. He has over 25 years of experience encompassing the full life-cycle of private equity in India across financial services, consumer, business services & technology, healthcare, and industrial sectors, and across private and public markets. He is the founder and Managing Partner of Kedaara Capital. Prior to founding Kedaara, he served as a Managing Director at General Atlantic and worked as a Management Consultant at McKinsey.

Mr. Luca Molinari (Additional Director)

Mr. Molinari holds a degree in Economics and Business Administration from Bocconi University in Milan, Italy. He has over 25 years of experience in private equity, public investing and M&A transaction structuring in Europe, North America, South America and the Middle East. He is currently associated as an Executive Director in Direct Investments with Mubadala Investment Company in Abu Dhabi, where he is responsible for Financial Services and Asia Strategy. Prior to joining Mubadala, he was associated with Warburg Pincus and Goldman Sachs. From April 2021 to April 2024, he was a Non-Executive Director of Unicredit, a pan-European banking group.

Management Team

Amit Gainda (Managing Director & Chief Executive Officer)

Amit has an illustrious career spanning over two decades in the BFSI sector. He has built businesses focused on sustained growth and profitability through decisive strategic choices in businesses, people, technology, and other organisational competencies. Under his strategic guidance and vision, Avanse Financial Services has strengthened its leadership position in the education financing segment. Mr. Gainda has completed his Postgraduate Programme in Management from the International Management Institute. He has done the INSEAD leadership programme for Senior Indian Executives from INSEAD. Prior to joining Avanse, he worked with GE Money Financial Services Limited, Bajaj Auto Finance Limited, Citicorp Credit Services India Limited, Dewan Housing Finance Corporation Limited and SB Leasing and Finance.

Vikrant Virendra Gandhi (Chief Financial Officer)

Vikrant is responsible for managing financial accounting and reporting, treasury, financial planning and business analytics, governance framework, secretarial and taxation of our Company. He holds a Bachelor's degree in commerce from R. A. Podar College of Commerce and Economics, University of Bombay, a Postgraduate Diploma in Treasury & Forex Management from the Association of Certified Treasury Managers and completed a General Management programme (Executive Education) from Indian School of Business, Hyderabad. He is a qualified CA and ICWA. He has experience across the banking and financial services sector. Prior to joining our Company, he worked with ICICI Home Finance Company Limited and ICICI Bank Limited.

Vivek Kumar Baranwal (Chief Business Officer – Education Loans Domestic Business)

Vivek oversees the business strategy, credit risk, and collections of the educational institution loans and education loans domestic vertical. He has a Bachelor’s degree in Commerce from the University of Calcutta and completed an Advanced Management programme from the Indian Institute of Management, Calcutta. He is a qualified CA from the Institute of Chartered Accountants of India. He has experience in the banking, financial services and insurance sectors. Prior to joining our Company, he worked with Reliance Capital Limited and Reliance Commercial Finance Limited.

Rajesh Narayan Kachave
(Chief Business Officer – Student Lending International Business)

Rajesh oversees the student financing business vertical of our Company. He holds a Bachelor's degree in Arts from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. He has experience in the banking, financial services and insurance sectors. Prior to joining the Company, he worked with HDFC Bank Limited.

Samir Kumar Mohanty (Chief Technology & Digital Transformation Officer)

Samir is responsible for implementing tech-led initiatives, digitising processes, and adopting emerging technology to enhance business efficiency and governance. He holds a Postgraduate Diploma in Business Administration from ICFAI Business School, Hyderabad and has also completed the leadership in Fullbright-Nehru-CII fellowship for the Management programme from the Tepper School of Business, Carnegie Mellon University, Pennsylvania. He has experience in banking, financial services and insurance. Prior to joining our Company, he worked with Tata Capital Financial Services Limited.

Amit Yadav (Chief Strategy Officer & Head Special Projects)

Amit is responsible for evaluating business opportunities and strategic business planning aligned with the organisation’s growth. He holds a Bachelor’s degree in Engineering (Chemical Engineering) from the University of Roorkee and a Master’s degree in Business Administration from the Robinson College of Business, Georgia State University, USA. He has experience in mergers and acquisitions, banking and the financial services sector. Prior to joining our Company, he worked with Religare Support Services Limited.

Management Team

Ganesh Raghuraman Iyer (Chief Audit Officer)

Ganesh is responsible for managing the management assurance and audit function of our Company. He holds a Bachelor's degree in Commerce from the University of Mumbai and is a qualified CA from The Institute of Chartered Accountants of India. He has experience in the banking, financial services and insurance sectors. Prior to joining our Company, he worked with Tata Capital Financial Services Limited and DBOI Global Services Private Limited.

Sorabh Malhotra (Chief Risk Officer)

Sorabh heads the risk function of our Company. He holds a Bachelor's degree in Commerce from the University of Delhi and a Postgraduate Diploma in Management from Lal Bahadur Shastri Institute of Management, Delhi. He has experience in the banking, financial services and insurance sectors. Prior to joining our Company, he worked with NeoGrowth Credit Private Limited, Bajaj Finance Limited, Cholamandalam DBS Finance Limited and Capital First Limited.

Yogesh Rawat (Chief Operating Officer)

Yogesh is responsible for managing the operational effectiveness of the processes of the value chain. He holds a Master's degree in Business Administration from the Indian Institute of Technology, Bombay and Washington University, St. Louis. He is an associate member of the Institute of Chartered Accountants of India and is a qualified CA from the Institute of Cost and Works Accountants of India. He has experience in the banking, financial services and insurance sectors. Prior to joining our Company, he worked with ICICI Home Finance Company Limited and GE Money Financial Services Private Limited.

Rajiv Kumar (Chief Compliance Officer)

Rajiv is responsible for managing the compliance function of our Company. He holds a Master's degree in Commerce from the Annamalai University, Annamalainagar and is an associate member of the Institute of Company Secretaries of India. He has experience in the banking, financial services and insurance sectors. Prior to joining our Company, he worked with Fullerton India Credit Company Limited, India Infoline Finance Limited and Bajaj Finance Limited.

Achal Goel (Chief People Officer)

Achal leads the Human Resource team in developing and implementing best practices, policies and procedures to support employees of our Company. He holds Bachelor's degree in Engineering (Computer Engineering) from the YMCA Institute of Engineering, Maharshi Dayanand University, Rohtak and a Master's degree in Business Administration from the University of Delhi. He has experience in the banking and financial services sector. Prior to joining our Company, he worked with Kotak Mahindra Bank Limited and Citibank N.A.

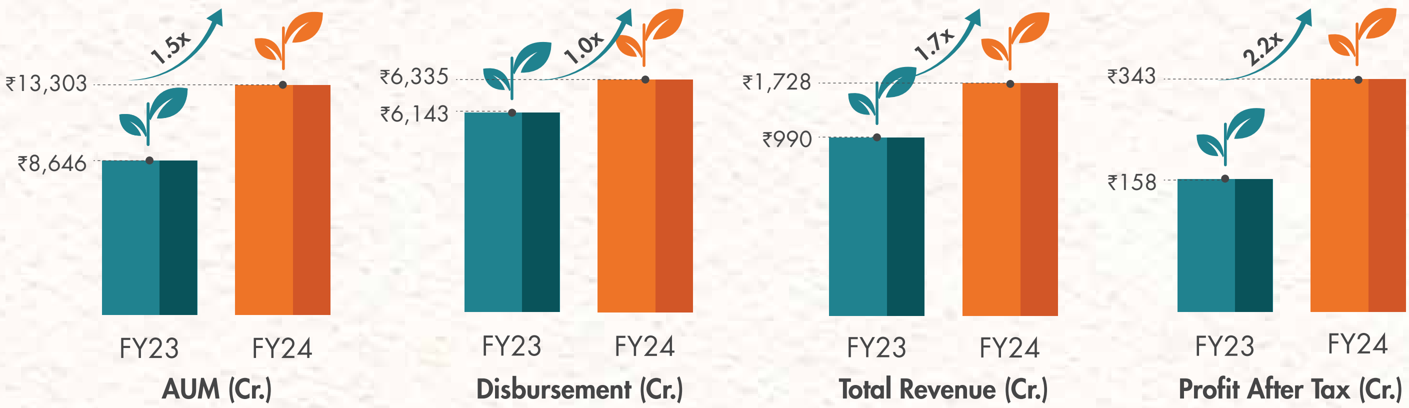
SNAPSHOT

Analysis & Growth Over the Last Year

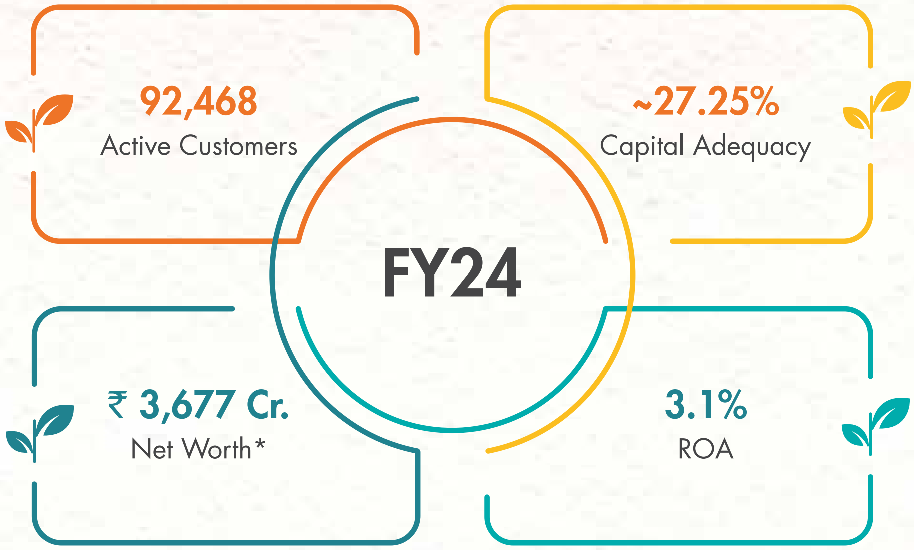
The financial year 2023-2024 marked a significant step forward in the Company's mission to ensure education beyond boundaries. Building on the momentum from 2022-2024, the organisation prioritised profitability and asset quality while solidifying its financial foundation with a robust balance sheet and diversified funding sources.

Avanse witnessed year-on-year growth of 1.5x in overall assets under management over FY23; it was ₹13,303 crores by the end of March 2024. During this financial year, the disbursement grew by 1.0x, which stood at ₹6,335 crores, and total revenue and profit after tax grew by 1.7x & 2.2x, respectively.

Financial Report FY24



Unleashing New Possibilities with Seamless and Affordable Education Financing for every Indian Student



*Networth as per SEBI LODR is ₹3644.52 Cr. (Excludes Deferred tax, Intangible assets)

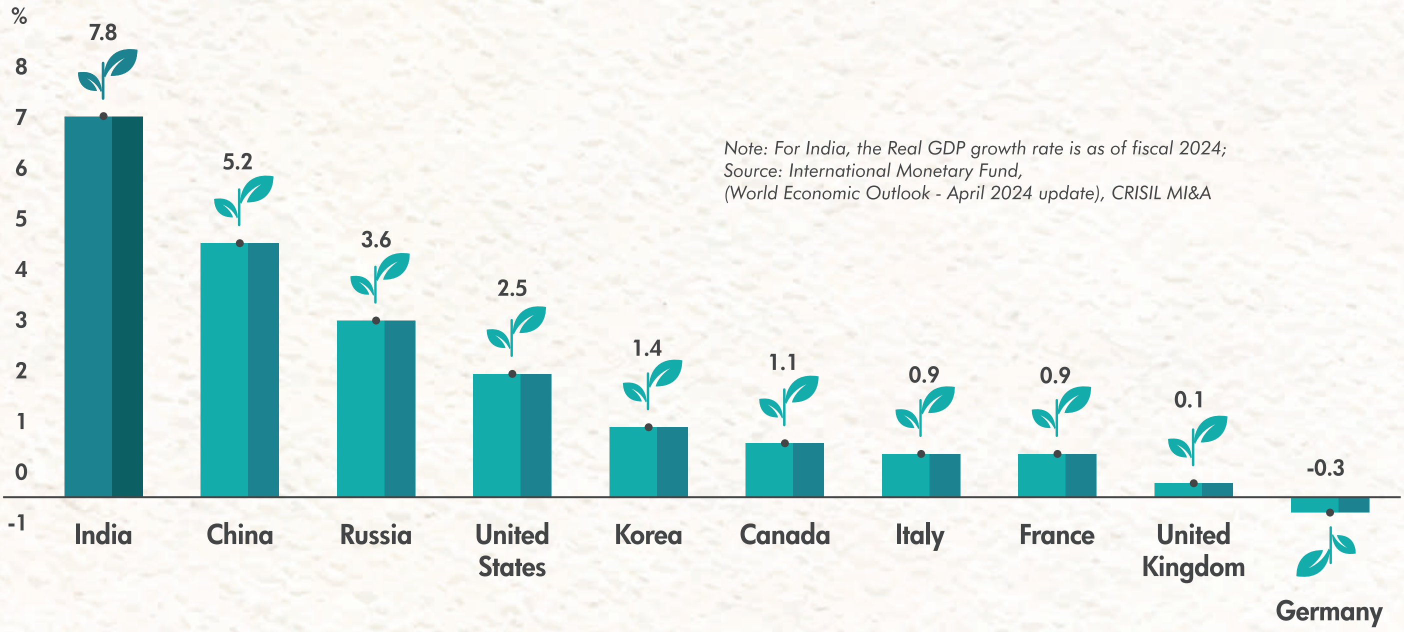
Management Discussion & Analysis Report

Macroeconomic Overview

Despite global geopolitical instability, India remained resilient and continues to maintain its position as one of the fastest-growing economies. In February 2024, the National Statistical Office (NSO), in its second advance estimate of national income, estimated the economic development through real GDP growth to progress at a robust 7.6% on-year basis in fiscal 2024. This can be attributed to factors such as demographic advantage, strong domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements, and digital push.

In fact, the International Monetary Fund (IMF), in its April 2024 economic outlook update, revised its economic growth estimate for India in real terms for fiscal 2024 to 7.8% from the previous 6.7% estimate in January 2024 and 6.3% estimate in October 2023, citing momentum from resilient domestic demand. Further, the growth forecast for fiscal 2025 also witnessed an increase of 6.8% from the previous 6.5% and 6.3% forecasts in January 2024 and October 2023, respectively. In contrast, global economic growth is projected to decelerate from an estimated 3.5% in 2022 to 3.2% in 2024, according to the IMF.

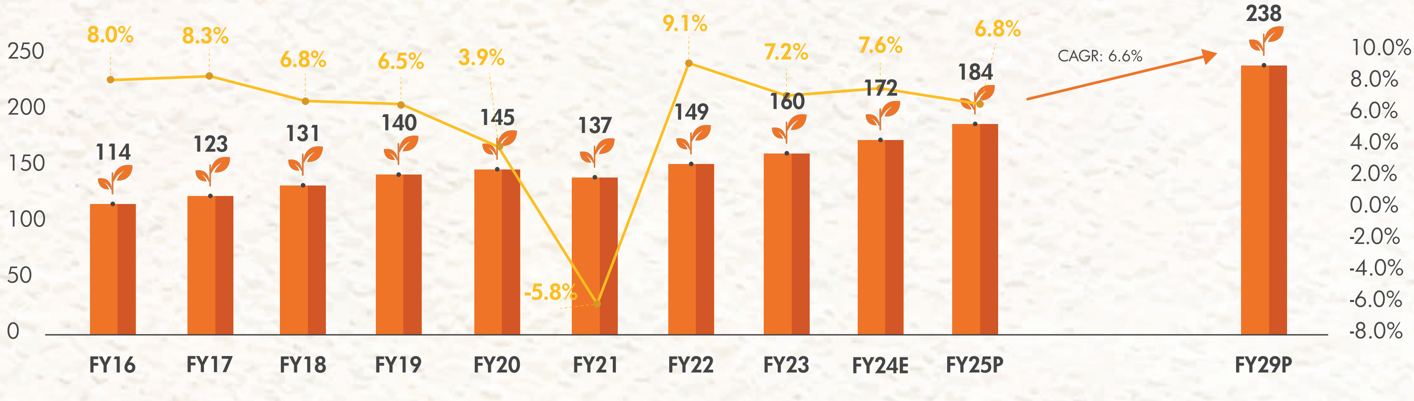
Real GDP growth rate (%) for major global economies (CY2023)



Note: For India, the Real GDP growth rate is as of fiscal 2024;
Source: International Monetary Fund,
(World Economic Outlook - April 2024 update), CRISIL MI&A

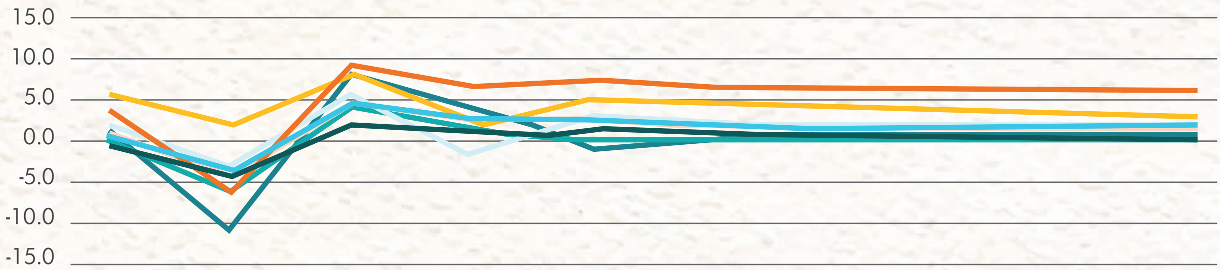
CRISIL Market Intelligence & Analytics (MI&A) expects India's economic growth in the next fiscal to be driven by a host of factors, including budgetary support from the government, strengthening of domestic economic activities, improvement in household consumption, improved business sentiments, rising consumer confidence, healthy balance sheet of banks and corporates, and rising integration in the global supply chain. The transmission of rate hikes by the RBI's Monetary Policy Committee (MPC) between May 2022 and February 2023 continues and is likely to weigh in the next fiscal. As per the MPC's report, the real GDP growth in fiscal 2025 is expected to be 7.0%, led by recovery in rabi sowing, sustained profitability in manufacturing and underlying resilience of services. Over the past three fiscals, the Indian economy has outperformed its global counterparts by witnessing faster growth. Going forward as well, the IMF projects that the Indian economy will remain strong and will continue to be one of the fastest-growing economies.

India's economy to grow at 6.8% in fiscal 2025



Note: E = Estimated, P = Projected; GDP growth is based on constant prices; GDP growth till FY23 is actual. GDP Estimates for fiscals 2023- 2024 are based on NSO Estimates, and 2024-2025 is projected based on CRISIL MI&A estimates; and that for fiscals 2026-2029 based on IMF estimates; Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – April 2024 update)

India is one of the fastest-growing major economies (Gross Domestic Product ("GDP") growth, % Y-o-Y)



	2019	2020	2021	2022	2023	2024P	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5
China	6.0	2.2	8.4	3.0	5.2	4.6	4.1	3.8	3.6	3.4
United Kingdom	1.6	-10.4	8.7	4.3	0.1	0.5	1.5	1.7	1.7	1.6
United States	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0
Russia	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8	1.2	1.3	1.2
South Africa	0.3	-6.0	4.7	1.9	0.6	0.9	1.2	1.4	1.4	1.4
Japan	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0	0.8	0.6	0.6

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices; Data represented is for calendar years (except India, where data is presented on a fiscal year basis, with FY2019/20 (starting in April 2019) shown in the 2019 column and so on), P: Projected; Source: IMF (World Economic Outlook - April 2024), CRISIL MI&A

Key Growth Drivers

India Has the World's Largest Population

As per Census 2011, India's population was ~125 crores with ~24.5 crore households. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is estimated to have increased at 1.1% CAGR between 2011 and 2021 to ~140 crores, as per CRISIL MI&A. By 2031, the population is projected to reach ~152 crores, with the number of households at ~38.5 crores.

Favourable Demographics

As of 2022, India has had one of the largest young populations in the world, with a median age of 28 years. CRISIL MI&A estimates that in 2021, ~90% of Indians were below the age of 60 and that 63% of Indians were between the ages of 15 and 59 years. In comparison to this, in the calendar year 2020, the United States (US), China and Brazil had 23%, 17% and 14%, respectively, of their populations above the age of 60, showing the ageing of the population in other major countries.

Urbanisation

Urbanisation, a key driver of economic growth, is expected to spur investments in infrastructure development, which, in turn, is expected to create jobs, develop modern consumer services and increase the ability to mobilise savings. India's urban population has been rising consistently over the decades. As per World Urbanisation Prospects, the urban share of India's population increased from 17% of the total population in 1950 to 34.9% in 2018 and is projected to rise to 37.4% by 2025. This is lower than the share of the urban population in other developed nations such as the US, the UK, Australia, and China. This shows that there is significant headroom for urbanisation in India to increase, which could aid in the overall growth of the education market – including both domestic and overseas.

Increasing Per Capita Income to Support Economic Growth

India's per capita net national income (NNI) expanded and grew 6.8% in fiscal 2024, reflecting robust economic growth and the government's continued endeavour to make the country an upper middle-income economy.

Per capita NNI	FY24^ (₹ '000)		Growth at constant prices (%)										
	Current prices	Constant prices	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
	183	106	4.6	6.2	6.7	6.8	5.7	5.8	2.9	-7.6	7.6	5.7	6.8

Note: P – projected. (^) Per capita NNI as per Second Advance Estimates of National Income, 2023-24; Source: Ministry of Statistics and programme Implementation (MoSPI), International Monetary Fund (IMF), CRISIL MI&A

As per the IMF, India's per capita GDP is projected to rise at a 3-year CAGR of 5-6% in real terms and at 9-10% in nominal terms between fiscal 2024 and 2027.

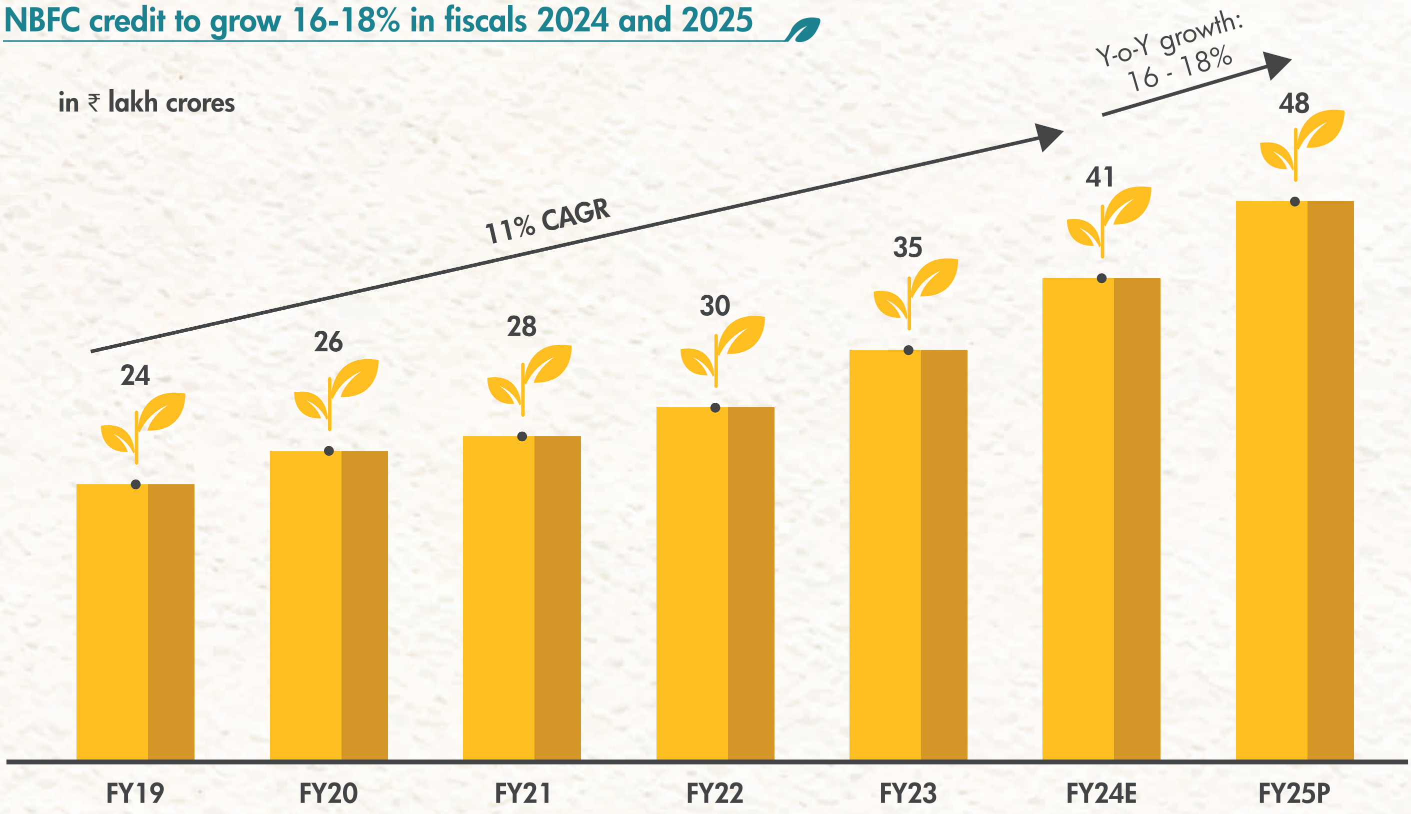
Rising Middle India Population to Help Sustain Economic Growth

The proportion of "Middle India" (defined as households with an annual income of ₹2-10 lakhs) has been on the rise over the past decade. It is expected to continue increasing with rising GDP and household incomes. CRISIL MI&A estimates there were ~4.1 crores middle-income households in India in fiscal 2012, and it is expected to increase to ~18.1 crore households by fiscal 2030. A large number of households that have entered the middle-income bracket in the past few years are likely to be from semi-urban and rural areas. CRISIL MI&A believes that improvement in literacy levels, increase in access to information and awareness, increase in the availability of necessities and improvement in road infrastructure have enhanced the aspirations of Middle India, which is likely to translate into increased opportunities for financial service providers.

Overview and Market Landscape of NBFC Sector in India

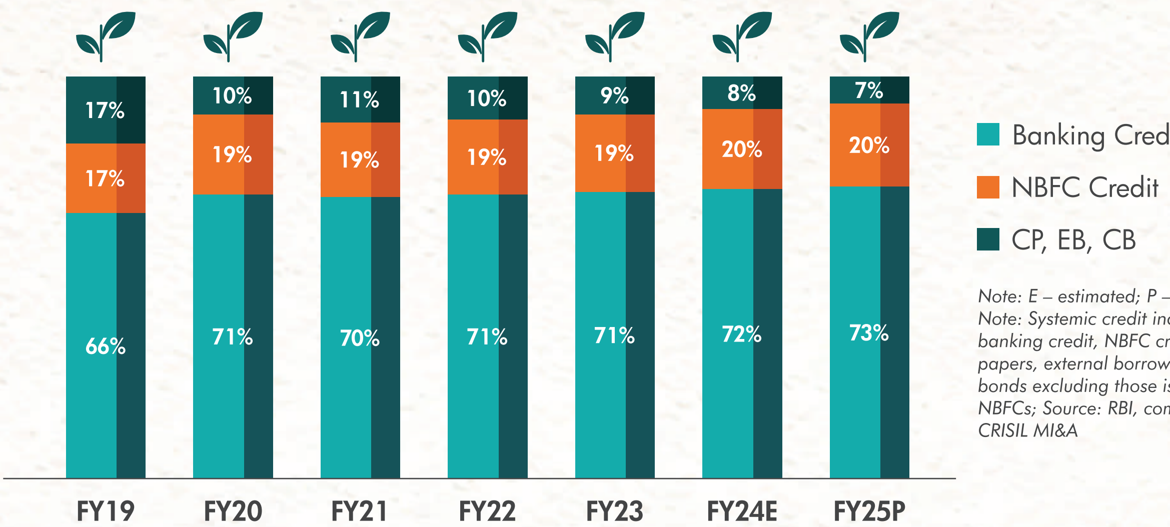
NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹20 lakh crores AUM at the turn of the century to ~₹41 lakh crores at the end of fiscal 2024. NBFC credit is projected to grow at 16-18% in fiscal 2025, with microfinancing and vehicle financing leading the growth in retail credit and MSME loans in wholesale credit continuing to be the primary drivers. Rapid revival in the economy is expected. The share of NBFCs in systemic credit increased to 20% in fiscal 2024 from 17% in fiscal 2019 and is projected to rise gradually in the future. NBFCs will continue to remain an important aspect of the Indian credit landscape, given their inherent strength in providing last-mile funding and catering to customers that are not served by banks. Moreover, NBFCs will continue to gain market share over banks due to their ability to provide flexible lending solutions and tailored services, focused approach to tap under-served and niche customer markets. ability to penetrate deeper into geographies, leveraging technology to reinvent the lending process, strong origination skills and shorter turnaround time.

NBFC credit to grow 16-18% in fiscals 2024 and 2025



Note: E – estimated; P – projected

Share of NBFCs in overall systemic credit to reach 20% in fiscal 2025



Note: E – estimated; P – projected;
Note: Systemic credit includes domestic banking credit, NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by banks and NBFCs; Source: RBI, company reports, CRISIL MI&A

Retail Credit to Support NBFCs' Overall Credit Growth

Going forward, on-year growth in the NBFC retail credit is expected at 15-17% in fiscal 2025. This will support overall NBFC credit growth, with a continued focus on the retail sector and multiple players announcing plans to reduce wholesale exposure. Between fiscal 2018 and 2020, the unsecured portion of the NBFC book logged a CAGR of 43%. Growth dipped in fiscal 2021 on account of the pandemic as NBFCs focused on secured credit where the loss given default was low. After the pandemic, NBFCs focused on targeting New-To-Credit (NTC) customers, especially those from Tier 2 and lower-tier cities. Unsecured credit of NBFCs grew at a CAGR of more than 40% post-pandemic as compared to 10-11% growth in secured lending. The emergence of fintech players also played a key role in the growth of unsecured lending with their new lending practices and catering to markets that traditional financial institutions may not reach.

NBFCs have a Reasonable Market Share Across Asset Classes

Under-served households and businesses represent a significant proportion of India's population that faces challenges in obtaining credit due to reasons such as a lack of credit history and the inability to provide collateral. NBFCs have generally been able to address this opportunity on account of their strong origination skills, extensive reach, better customer service, faster processing, streamlined documentation requirements, digitisation of customer onboarding process, customised product offerings, local knowledge, and differentiated credit appraisal methodology. The rapid evolution of fintechs over the last few years has added another dimension to the market served by NBFCs. It has fuelled rapid growth across the landscape, causing NBFCs to have consistently gained or maintained market share across most asset classes.

Education Financing Market Overview

In India, the overall education market in FY2023-24 is estimated at ~₹18.5-19.0 lakh crores, which includes both the overseas education market and the domestic education market. The overseas education market involves students pursuing education in a foreign country, while the domestic education market comprises education within one's own country.

The overseas education market (expenditure incurred by students going abroad) in India has been experiencing significant growth in recent years and is estimated to have reached ₹5 lakh crores in CY2023. The growth in this market can be attributed to an increasing number of Indian students seeking international exposure, high-quality education and the rising cost of attendance. The overseas education market is projected to grow at a ~17% CAGR to reach ₹10.5-11.5 lakh crores by the end of CY2028.

The domestic education market is estimated at ₹13.5-14.0 lakh crores in FY2023-24. It is estimated to have grown at a CAGR of 9% over FY2018 and FY2024 and at a 3-year CAGR of 15% between FY2021 and FY2024, primarily led by recovering demand after the pandemic. Going forward, the education industry is expected to grow at a CAGR of 12-13% from FY2024 to FY2029, with its market size exceeding ₹24 lakh crores.

Overview of the Overseas Education Market in India

India has long been a significant source of international students, with a rising number of Indian students opting for higher education abroad. The surge in Indian students going abroad for studies is fuelled by the growing aspirations of students for education in foreign universities, alongside the increasing trend of Indian students choosing to study abroad for a better lifestyle and earning capability. According to the Ministry of External Affairs, Government of India, over 15 lakh Indian students were pursuing studies overseas in 2023. The top 15 destinations for Indian students during the past five years were the US, Canada, the UK, Australia, Germany, the Russian Federation, Bangladesh, Kyrgyzstan, Ukraine, Singapore, China, the Philippines, the UAE, France, and New Zealand. These 15 countries together account for 89.7% of the total population of Indian nationals who went abroad between 2018 and the first half of 2023.

Growth drivers for the overseas education market: It is expected that the number of Indian students studying abroad will increase due to factors such as the expanding student population in India, rising competition, an increasing preference among students for global exposure, higher salaries and emigration for a better quality of life. Additional factors include growing awareness among Indian students and parents about the benefits of studying abroad, rising disposable incomes, and the proliferation of English-language institutions in non-English-speaking countries. Below are the factors which will continue to drive the prospects of the overseas education market in India:

- **Better quality of education:** Foreign universities ensure a higher standard of teaching, innovative methods of imparting knowledge, diversified courses, and various exchange programmes. They also lay emphasis on practical and experiential learning, which enable students to apply their knowledge in real-life situations.
- **Better career opportunities:** Studying abroad can enhance career prospects by providing access to a wider range of industries, networks and job opportunities. Students view international experience as an asset in the global job market.
- **Visa policies and immigration:** Favourable visa policies, including post-study work opportunities and permanent residency, encourage Indian students to choose certain countries for their higher education.
- **Rising globalisation:** As the world becomes increasingly interconnected, there is a growing recognition of the value of international exposure and education. Indian students now seek to broaden their horizons via overseas education.
- **Availability of overseas education financing:** India's population is largely comprised of low and middle-income families who find it difficult to pursue overseas education due to a shortage of funds. Further, tuition fees for international students are significantly higher than for domestic students; hence, there is a huge dependency on the availability of financing options for funding their overseas spends.
- **The growing popularity of international board schools in India:** The growing popularity of international education through International Baccalaureate/International General Certificate of Secondary Education schools offering globally recognised curricula serves as a funnel for students preferring an international educational experience.
- **Research opportunities:** Pursuing research opportunities and aspiration to work with some advanced technology drive students to seek admissions in STEM (Science, Technology, Engineering and Mathematics) courses abroad, which have higher employment opportunities and job security than other courses.
- **Parental aspirations:** Many Indian parents prioritise their children's education and are willing to invest in sending them abroad for better academic and career prospects.
- **Information accessibility:** Increased access to information through the internet, social media, and education consultants has enabled students to explore overseas education options and make informed decisions.

Additionally, the acceptance of Indian students in overseas markets is a multifaceted phenomenon driven by mutual benefits for both the students and the host countries. Some of the drivers are as follows:

- **Ageing of local population:** Countries facing challenges with ageing local populations lead to a smaller workforce and a lower number of domestic students entering higher education. International students from countries such as India help fill this gap, thereby supporting the local economy.
- **Enrolment saturation in the local country:** Enrolments in higher education universities in several countries are either stagnant or declining due to various factors, including demographic changes. International students provide a crucial source of enrolment, helping maintain and enhance the vitality and diversity of educational institutions.
- **Talent shortage:** Many sectors globally are experiencing a shortage of skilled talent in areas such as IT, engineering, healthcare and research. Indian students, who often pursue degrees in these fields, are highly sought-after to fill these gaps. Their academic and professional contributions help drive innovation and growth in the host countries.
- **Student Diversity:** The diversity of students is an important KPI for overseas universities. Hence, they look to increase the proportion of international students while composing their class and batch profiles.
- **Source of revenue:** The fees paid by international students are a major source of revenue for these educational institutions. The students also contribute to the economy of the countries by spending money on accommodation, food, transportation, and consumer goods.

Average Cost of Education for Students Studying Abroad

The average cost of education for studying abroad can vary significantly depending on the country, level of study, institution, and duration of the programme. It typically includes tuition fees, living expenses, accommodation, travel costs, insurance, and other miscellaneous expenses. For example, studying in the US can range from $27,000 to $70,000 per year for tuition fees alone, not including living expenses. In countries such as Germany and Norway, public universities may offer tuition-free education for international students, but students still need to spend on living expenses.

Overview of Overall Domestic Educational Services in India

K-12 is the largest market in the Indian educational landscape and covers education from kindergarten to the 12th grade. The government offers aid to both public and private institutions to support education, while trusts, societies and other entities entirely oversee private institutions in the unaided sector. Higher education encompasses all courses offered after secondary school (grade 12), including traditional disciplines such as Arts, Science, and Commerce, as well as professional fields such as Engineering, Management, Medicine, Teacher Training, Agriculture, Polytechnics and Research.

Coaching services cater to the demand for supplementary coaching in K-12 subjects, undergraduate and graduate programmes (collectively known as curriculum-based coaching) as well as preparation for competitive exams (referred to as test preparation coaching). The e-learning industry consists of companies offering multimedia content and digital tools to support education in schools (both public and private), colleges, training centres and for personal or corporate purposes. Vocational education involves providing industry-specific training to individuals in various fields such as nursing, medicine, retail, automotive, banking, financial services, information technology and information technology-enabled services (IT-ITeS), and real estate.

Tuition costs continue to inch up in the domestic education market: Several factors such as educational infrastructure development, increasing demand for highly qualified faculty, rising faculty salaries, investments in technology to fund digital classrooms, e-learning resources and regulatory compliance to meet the accreditation standards of the National Assessment and Accreditation Council (NAAC) and various other quality assurance measures add up the capital costs of domestic educational institutions. Hence, tuition costs have been rising across India. These costs are also surging across the globe as colleges are increasingly investing in providing a wholesome educational experience to students and standing out among their international peers. Spending in colleges on amenities such as stadiums, gyms, cafeterias, and healthcare centres has increased infrastructure and staff costs, thereby driving up the tuition fees for students.

Increased awareness about education loans and financial literacy initiatives are making students and families more comfortable with the concept of borrowing for education. Easier access to information and online loan applications are further simplifying the process. Students consider education loans to be an investment in education that will enable them to reap multiple benefits, such as quality education and accessing enhanced international careers. Young aspirants want to continue chasing their academic goals despite education inflation, increasing living costs and the strengthening dollar. This has led to an overall increase of 40-60% in ticket size of the education loan in the last couple of years. As per the leading credit bureau, CRIF High Mark, India's total education financing market share touched the ~₹1.65 lakh crores mark as of December 2023, with year-on-year growth of 29%. NBFCs cater to 23% of this market. Specifically for the overseas education lending market (Ticket Size >10 lakhs), the market stands at ~₹1.07 lakh crores with 48% year-on-year growth as of December 2023. NBFC market share is ~37% for this segment of overseas education lending. Avanse market share is ~9%.

Apart from individual education loans, institutional lending also saw potential for growth in 2023. According to reports, 7.2% of schools used loans to fund improvements, and 41% said they would like to apply for one in the future. These schools say they would use the funds to construct classrooms, renovate school buildings, purchase buses, and buy, construct or renovate playgrounds for children. The average loan amount was high at ₹23 lakhs. However, several schools wanted small loans of ₹5 lakhs for incremental improvements and small purchases.

Growth Propellers for Education Loans

The crucial factors boosting growth in the education lending space include:

Favourable Demographics

India has the world's largest and youngest population. The country is home to more than 60 crore people aged between 18 and 35, with 65% under the age of 35. According to Government estimates, India's demographic dividend is expected to persist at least until 2055–56 and will peak around 2041, when the share of the working-age population (20-59 years) is expected to hit 59%. It is an opportunity that can be harnessed if the right conditions are in place or created. Over the years, enrolment in higher education has increased; from 3.4 crores in 2014, it has gone up to 4.1 crores in 2023. The education landscape of the country has been undergoing a substantial transformation. Higher education aspirants from across India, including tier II, III, and beyond cities, are now increasingly coming ahead to pursue higher education in large cities as well as destinations abroad, indicating a shift in aspirations and accessibility. These dynamics offer a huge opportunity for the overall education and education financing segment to grow and create a positive impact on the overall economy.

Rising Cost of Education

The cost of higher education in India and most other countries continues to rise annually. The education inflation rate in India alone is at 12%. The increased cost leads to gaps between students and their academic aspirations. Education loans help bridge the difference, ensuring quality education is accessible to students regardless of their financial background.

Increasing Educational Aspirations

Indian society continues to emphasise education as a path to breaking barriers and improving career prospects. The trend of pursuing higher education opportunities remains strong with India's middle class and those in tier II, III & beyond cities. Education loans enable young learners to pursue their dreams, regardless of their current financial background. Emerging career avenues are leading to new jobs, ultimately encouraging students to be future-ready by choosing from a wide range of study programmes. New-age financiers have identified this trend and have designed hyper-personalised financing solutions to fund a plethora of courses. Student loans are now available for conventional programmes, including STEM and MBA, as well as non-conventional courses like sound production and other vocational, skilling, upskilling, and reskilling programmes.

Increasing Demand for Overseas Higher Education in India

The number of Indian students opting for overseas education is growing due to the ambitions of students and parents for degrees from esteemed foreign universities, which offer diverse courses, international exposure, global perspective, access to a better lifestyle and higher earning capability.

Diverse Lending Ecosystem

Traditionally, public sector banks dominated the education loan market. However, private sector banks and NBFCs have entered this market and have been designing personalised products that offer various ranges of interest rates, quicker processes, and collateral-free loans. These new options empower more aspiring learners to rely on loans to fund their education.

Technological Advances

Lenders streamline application processes through technological integration, improving loan disbursement times and enhancing the customer experience. The easier processes encourage more students to leverage loans to ease their higher education journey. Most new-age financiers have introduced technology at every stage of their operations. Avanse leverages AI and ML-based tools to provide hyper-personalised solutions. Conducting a thorough analysis of the student's profile using technology enables the Company to determine the employability potential of the student. Analysis based on academic scores, entrance exam scores, the pedigree of the university, continuity in education and other vital parameters leads to quick and efficient decision-making to provide personalised financing solutions.

Increased Demand for Upskilling and Reskilling

The world continues to evolve, with AI and other developments changing the way we work and interact with our surroundings. Professionals now focus on developing new skills to help stay abreast with the latest developments. Approximately 67% of Indian employers consider digital skills to be important, which underlines the significance of these skills in today's professional landscape. Moreover, a recent report suggests that a pool of ~10 crore individuals can be added to the Indian workforce who can positively impact and enhance the country's GDP. Education loans provide funding assistance for those who want to reskill and upskill to stay future-ready.

Low Finance Penetration in Education Market Offers Ample Opportunities for Lenders

Despite the rising demand for education loans in India, the finance penetration in the education industry remained quite low at 12-13% as of fiscal 2024. One of the reasons for this is that there are only a few players in the market with specialised models for education loans (particularly in the NBFC space). Hence, the majority of the low-income and middle-income groups are significantly underserved. This gives immense opportunity for lenders in the industry to expand their businesses.

Our Education Financing Solutions

Avanse provides hyper-personalised education financing solutions. The Company is proud to offer a range of solutions that cover a wide variety of courses, universities and costs. It also offers financing options for the working and growth capital needs of India's educational institutes.

Student Loans International
Avanse designs hyper-personalised education financing solutions for students studying abroad that cover all the education-related costs, from course fees to travel, living expenses, books, learning devices, and more.

Education Loans Domestic
The Company also designs customised education financing solutions to cater to the entire education lifecycle of a student. Under this business vertical, it provides loans for higher education in India, upskilling and reskilling courses, curriculum fees, and more.

Educational Institution Loans
Avanse provides loans that help educational institutions in India with their working and growth capital needs.

Our Performance Overview

The Company focuses on building an institution with a long-term view designed for continued operational efficiencies and sustained profitable growth. It relies on the following guiding pillars to build a strong entity:

Governance, Risk, and Controllership

The Company continuously adapts and strengthens its Corporate Governance Framework and Integrated Enterprise Risk Management to deal with dynamic needs. The Risk Management Committee (RMC) completes a holistic review of operational risks across businesses and functions at quarterly meetings. The organisation has built and defined various metrics that enable it to identify, measure, review, monitor, control, and mitigate potential risks swiftly.

Liability-First Approach

The Company has established a robust organisational structure and a high-quality product portfolio that anticipates and addresses the requirements of credit rating agencies and liability providers. Avanse has implemented strategic initiatives to ensure a diversified and flexible funding strategy. It maintains a rigorous focus on asset and liability management, ensuring the timely fulfilment of all financial obligations. The organisation's structure enables it to consistently maintain a strong Asset Liability Management (ALM) position with positive mismatches across all maturities.

Asset Build with Strong Segment-led Approach

Avanse leverages its deep expertise in education financing to develop hyper-personalised loan solutions that cater to the specific needs of the student borrowers. It employs a holistic student evaluation process that goes beyond traditional co-borrower financial assessments. Therefore, it analyses factors like the student's academic scores, standardised test scores, the pedigree of the educational institution, and the continuity of education, to name a few. The innovative approach has allowed the organisation to empower a vast network of students enrolled in 1,550+ educational institutions spanning across 49 countries. By supporting students throughout their academic journeys, Avanse plays a vital role in ensuring education beyond boundaries.

Hybrid Operation Model

Avanse relies on a distinctive hybrid operating model that merges the strengths of traditional lenders with the agility and data-driven decision-making of new-age fintech pioneers. The unique Touch and Tech approach fosters a digitally-savvy organisation, enabling it to deliver a superior customer experience and achieve operational excellence. Furthermore, this model prioritises robust risk management practices, ensuring the financial health and quality of the loan portfolio.

Business Performance Numbers

Currently, the total AUM stands at ₹13,303 crores and it has disbursed loans worth ₹6,335 crores. During FY2023-24, the Company had 92,468 active customers and offered them best-in-class services.

Financing Solutions | Disbursement in ₹ crores

Drivers of Value Creation

Asset Quality

Avanse prioritises a proactive approach to credit risk management. The Company utilises a structured collection process, encompassing timely payment reminders and predictive analytics to assess potential default probabilities. This method enables early identification of potential stressed accounts, allowing the organisation to implement timely interventions to mitigate potential losses. It focuses on collection efficiency and keeping all Non-Performing Assets (NPAs) within the defined risk threshold.

As of March 31, 2024 the Company's overall Gross Non-Performing Assets (GNPA) ratio stood at 0.43%. GNPA for education-focused businesses is 0.42%. Furthermore, Avanse maintains a healthy Provision Coverage Ratio (PCR) of 70%, demonstrating its commitment to robust portfolio management.

Borrowing

The borrowing profile of the Company continues to remain well diversified with a focus on building a diversified funding mix. During the financial year ended March 31, 2024, the Company raised long-term debt by way of Term Loans, Non-Convertible Debentures & External Commercial Borrowings. The organisation ensured that enough liquidity was available throughout the year not only to meet debt servicing requirements but also to support the strong demand from businesses. Total borrowings from Banks/FIs in the form of term loans stood at ₹5,921 crores as of March 31, 2024. Similarly, borrowings from Non-Convertible Debentures and External Commercial Borrowings stood at ₹3,104 crores and ₹930 crores, respectively. The Company also had borrowings from other sources, which stood at ₹180 crores.

Avanse Financial Services' total borrowing stood at ₹10,135 crores as of March 31, 2024, and all the decisions taken related to the segment have resulted in it becoming one of the leading education-focused and digitally agile NBFCs in the market.

Credit Ratings

During FY2023-24, ending March 31, 2024, the external credit rating for the facilities of the Company was upgraded from "A+" to "AA-". Further, the short-term rating of the Company was reaffirmed at A1+, i.e., the highest rating for a short-term facility. This upgrade reinforces Avanse's position as a trustworthy company in the finance industry. The organisation's successful implementation of a robust Governance, Risk, Compliance and Controllership framework and its liability-first approach have enabled it to achieve this upward revision.

Risk Management

As an NBFC, risk management is an integral part of Avanse's business strategy. The Risk Management framework at Avanse is designed to identify, assess, manage and mitigate various risks faced by the entity, aligning with strategic objectives and regulatory requirements. The comprehensive Enterprise Risk Management policy and framework governs the Risk Management process. It is an ongoing process supported by a robust risk-reporting framework.

At the highest level, the Board of Directors has instituted a Risk Management Committee (RMC) to assist in the oversight and review of risk management principles, policies, strategies, risk appetite, processes, and controls. This oversight is facilitated by a strong governance framework and review mechanism.

Risk Management is embedded through comprehensive policies, procedures, and continuous reviews. Each business vertical operates with clearly defined risk tolerance levels established during the annual budgeting process. To ensure effective risk management, the organisation implements a rigorous monthly review mechanism. The Risk team actively participates in all business reviews, working closely with relevant stakeholders. These reviews provide a platform for discussing and developing mitigation plans for key risks identified. This collaborative approach ensures that potential risks are promptly addressed and a mitigation strategy is developed.

Avanse's board has institutionalised the Risk Management Committee (RMC) to review the Risk Governance in the organisation. Various other senior management committees help strengthen and monitor the risk framework across the organisation.

Risk Appetite Statement (RAS)

The Company has a Board-approved Risk Appetite Statement in place to define, effectively manage and communicate risk tolerance. It comprises quantitative as well as qualitative parameters covering all key risks in alignment with the organisation's strategic goals and objectives.

Risk Universe

NBFCs are subject to various risks due to the nature of their business. The entity has a well-defined Risk Universe; the key risks the organisation has exposure towards are Credit Risk, Liquidity & Interest Rate Risk, Operational Risk and other risks (which include Information Security, Reputation, Brand and Compliance Risks). For each of these risk categories, controls by way of detailed policies, frameworks & SOPs are in place.

Sl. No	Key Risks categories	Risk Sub Type	Brief Description
1	Credit Risk	Default	Risk of loss on account of default by the other party to adhere to the financial contract
		Concentration	Risk of loss due to high concentration to a particular geography/borrower profile, etc.
		Collateral	Risk due to collateral not being enforceable, errors in terms of nature/pricing, etc.
2	Operational Risk	Process People Systems (Information Technology)	The risk of loss resulting from inadequate or failed internal processes, people and systems or external events (including Fraud Risk)
3	Market Risk	Liquidity Risk	Loss on account of asset liability mismatch, failure to meet obligations when due
		Interest Rate Risk Forex Risk	Loss on account of adverse changes in interest rates and foreign exchange movement

4	Other Risks	Reputation Risk	Loss on account of external events which may adversely impact the brand reputation of the organisation
		Brand Risk	
		Compliance Risk	Loss on account of failure to comply with regulatory guidelines and requirements
		Cyber & Information Security Risk	Loss of account of instances of cyberattacks, data theft, pilferage, etc.
		Emerging & External Risks	Loss on account of certain external events, which may be natural calamities/wars/competition, regulatory guidelines, etc., beyond the control of the entity

Key Risks & Controls

01 Credit Risk

Credit risk is the risk of default by our borrowers. It can arise due to various factors, such as the deterioration in the credit profile of the borrower, counterparties, and macroeconomic factors, which may impact certain segments or industries. The Company has detailed controls in place through product-wise credit policies, which lay down defined standards for Credit Evaluation and Underwriting along with the utilisation of credit scoring models and alternate data sources to evaluate the creditworthiness of the borrower. This is well supported by stress testing and ICAAP assessment.

02 Liquidity and Interest Rate Risk

- Asset Liability Risk: Asset Liability Mangement (ALM) is an integral part of strategic Balance Sheet Management, involving risks caused by changes in the Interest Rate, Exchange Rate, and liquidity position of the NBFC, etc. Effective management of these risks, along with Contingency Planning, protects the entity from financial shocks and reduces the volatility of future cash flows. The assets and liabilities of the Company are managed to optimise the earnings (net interest income) and liquidity.
  The risk framework in place to mitigate these risks comprises ALM, Investment, Resource Planning, Interest Rate and Forex Exchange Management policy.
- Liquidity Risk Management: The Company has defined tolerance for mismatches in liabilities and assets in line with regulatory guidelines, which are monitored. There is a regular review of the borrowing mix, unencumbered assets, liquidity coverage ratio, and thresholds, which are defined as part of the stock approach to monitor liquidity risk. The liquidity contingency plan is defined for the organisation as a mitigation to any stress event. The ALCO reviews the mitigation plans for any triggers as per the liquidity framework.
- Interest Rate Risk Management: The interest rate risk arises due to changes in regulatory or market conditions affecting the interest rate, short-term volatility, and prepayment risk, which translate into a reinvestment risk. The duration analysis method is used for the assessment of interest rate risk by the entity, and the Impact on Earnings (net interest income) and Market Value of Equity (MVE) due to interest rate change is analysed against defined tolerance limits.
  The entity does regular stress testing for interest rate and liquidity risks as part of its stress testing and ICAAP assessment.

03 Operational Risk

It is the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events. Operational risk is majorly internal and unknown; therefore, its assessment is done on a symptomatic basis, i.e., a process of identifying loss events and aggregating loss data through the KRI approach is followed. Additionally, the Risk Control and Self-Assessment (RCSA) framework is implemented for all functions. The key processes are analysed in terms of risk assessment with the existing control framework in place. Control testing is done for functions based on the RCSA, and key processes and findings are presented to management for process improvements and changes. The Risk containment unit implements an effective control framework towards robust preventive fraud checks to build a proactive risk culture in the entity.

Outsourcing Risk: The entity has an outsourcing policy and framework in place as per regulatory guidelines towards the classification of partners as material and non-material. The entity follows stringent practices as per policy while onboarding the partners and conducts periodic reviews of all partners basis the defined framework.

04 Other Risks

- Cyber & Information Security Risk: An information security charter is in place for the entity. The charter clearly defines the objectives of designing, implementing, and maintaining an Information Security Management System (ISMS) to protect the confidentiality, integrity, and availability of the organisation's information assets. The objective is to deliver effective information security governance and secure IT operations for the organisation. IT strategy committee of the Board regularly reviews the information security and IT posture of the Company and advises on mitigation strategies.
- Reputation, Brand and Compliance Risk: The Key Risk Indicator (KRI) approach is used for these indicators as part of the Enterprise Risk Framework with defined thresholds for all KRIs, which are regularly monitored and reported to RMC.
- Emerging and External Risk: External risks include potential losses from events beyond the Company's control, such as natural disasters, wars, competition, and regulatory changes. Subjective assessments based on macroeconomic factors and geopolitical risks are conducted to gauge any emerging risks, along with impact assessments, which are presented to senior management to enable informed decision-making.

Risk Reporting

Nature of Risk	Governance Framework
Operational Risk	Risk Management Committee of the Board
Credit Risk	Risk Management Committee of the Board Management & Credit Committee
Liquidity, Interest Rate & Market Risks	Risk Management Committee of the Board Asset Liability Committee (ALCO)
Other Risks (Compliance, InfoSec, Emerging & External Risks, etc.)	Risk Management Committee of the Board IT Strategy Committee (For Information Security)

Avanse Financial Services follows the three lines of defence model for providing management assurance:

First line of defence

Business and functional units are the primary owners of risks for their respective functions and business units.

Second line of defence

The Risk department is the second line of defence, entrusted with the responsibility of running day-to-day risk management practices across the Company. They operationalise the risk management framework for the entity.

Third line of defence

The audit function has oversight and reviews all the functions of the entity.

Employees – The Most Important Asset of the Company

Avanse Financial Services believes employees are at the forefront of driving business success and unravelling new growth avenues. Human capital is one of the greatest and most important assets that is solely responsible for the smooth functioning of the business. As a part of this outlook, Avanse adopted a two-word mantra, "PEOPLE CENTRICITY", which lies at the core of the organisation. It has been focused on fostering a symbiotic environment that enhances the overall learning curve of the employees, resulting in the 'Return on Intelligence' while enabling 'Return on Capital' for stakeholders. This dedication towards employee-centric policies has enabled the Company to be recognised as Great Place To Work® for the third time in a row.

Avanse cultivates a synergistic environment where personal and professional growth go hand-in-hand. Its robust Cultural Pillar framework emphasises Governance, Accountability, Inclusivity, Meritocracy, Consistent Value Creation, and Happiness Quotient. Together with the One Team, One Experience approach, the people-first policies have propelled Avanse to a leadership position in the education lending space.

During FY2023-24, the organisation invested in its human capital by introducing several learning and development programmes, enabling it to reap the benefits of an expanded pool of qualified experts. The initiatives revolved around four main pillars – Maximising Learning, DE&I, Year-round Engagement & Wellness Initiatives and Rewards & Recognitions.

- **Maximising Learning:** The Company's commitment to nurturing talent is exhibited through various curated programmes and initiatives, which enhance the overall learning journey of the employees.
    - One of the initiatives, the Swagatam programme, is meticulously crafted to conduct branch orientation and induction through Avanse Certified Trainers. This initiative is designed to facilitate the seamless integration of new joiners into their respective functions, ensuring their early success and reducing attrition.
    - Furthermore, the SEED (Skill Enhancement & Employee Development) initiative empowers employees with specialised, role-based, skill enhancement and capability-building programmes. These initiatives target various competencies essential for upskilling and reskilling employees, including self-management, team management, and leadership development.
    - Avanse's commitment to managerial development is evident through the LEAP (Learn, Engage, And Make Teams Productive) programme. This four-month rigorous programme equips first-time managers with vital leadership skills like communication, decision-making, conflict resolution, and team building, preparing them for success in their new roles.

- **Diversity, Equity, & Inclusion (DE&I):** Avanse is committed to driving DE&I initiatives within the organisation. It will continue to invest in curating industry-best policies and benefits that support employees and their families throughout various lifecycle needs. Prioritising DE&I ensures an inclusive work environment where every employee feels valued and empowered to contribute to their fullest potential. Some of the initiatives launched by the Company are – the menstruation leave policy, which grants female employees a monthly leave allowance with auto-approval, prioritising essential rest and recovery, mobility to office benefits for expecting mothers provides mobility benefits and exclusive parking facilities, supporting expecting mothers during their commutes, childcare support for working parents and more.

- **Year-round Engagement & Wellness Initiatives:** Employee well-being has always been the top priority. The Company ensures that the balance between work and well-being is fostered adequately through a range of people-centric initiatives and processes designed to support them throughout their journey. Avanse has a Flexi-Working policy that enriches work-life balance by permitting remote work for defined periods, accommodating personal commitments and unforeseen circumstances. It conducts and hosts various webinars focused on physical, mental and financial well-being.

  Additionally, consistent communication is a must to create an environment of trust and productivity. The People Practices team ensures that it engages with the last mile of the organisation via thought-through initiatives so that they can share their views, further fostering a sense of belongingness. One of the initiatives it has launched is a quarterly town hall meeting with the organisation's management team, where employees are updated on all crucial business news and developments. Function Heads conduct Employee Connect sessions, addressing concerns and gathering feedback, which enhances accessibility and builds a stronger bond among the team. The HR team plays a pivotal role in facilitating communication by conducting regular visits to branch locations to address employee concerns and gather feedback. As a listening organisation, to further encourage open dialogue, Avanse also introduced a programme where employees, regardless of their roles or levels, can engage in one-on-one conversations with the management during fixed hours every day.

- **Rewards & Recognitions:** Avanse Financial Services is a meritocracy-driven organisation. It believes in recognising employees who go above and beyond and leave no stone unturned to deliver the highest quality experiences to the customers. It offers performance incentives such as employee stock option plans, long-term incentive plans, short-term incentive plans, and merit-based bonuses. The benefits programme also includes health check-ups for employees and their families, flexible reimbursements, and professional development support.

Avanse's proactive approach to emerging HR trends highlights its dedication to enhancing employee experience and maintaining its leadership position in the industry. Through investments in candidate experience, individual learning journeys, innovative learning platforms, and DE&I initiatives, the Company will continue to pave the way for a future-ready workforce.

Corporate Social Responsibility and Environmental, Social, and Governance Initiatives

The Company believes that its success is intrinsically linked to the well-being of the communities it serves. Beyond driving profitable growth, it is committed to being a responsible, socially driven, and accountable organisation. Avanse's commitment is highlighted and captured explicitly in its mission to make quality education accessible for every deserving underserved Indian student.

To amplify the impact, Avanse has forged strategic partnerships with prominent NGOs, including Muktangan Education Trust, PRIDE India, Samarthanam Trust for the Disabled, MelJol, and Purkal Youth Development Society. These collaborations allow the Company to effectively address the needs of diverse underprivileged communities.

Association details with the NGOs

Integrated School & Teacher Education Programme with Muktangan Education Trust: With the help of the partnership with Muktangan Education Trust, Avanse enables 500+ students annually to get access to holistic education, with 30-40 students passing the SSC Board examination and entering higher secondary education. An in-service teacher education programme is conducted for more than 650 teachers and educators. The direct beneficiaries through this programme during FY24 are ~1,390 students and ~744 teachers.

Model School Programme for 10 Zilla Parishad Schools in Mahad (Raigad District) with PRIDE India: In collaboration with PRIDE India, Avanse implemented the Smart School concept to bolster learning outcomes in Zilla Parishad schools within the Mahad Block of Raigad District. Some of the objectives of this initiative is to enhance the reading skills (Marathi & English) of the students, promote digital and activity-based learning classes, School Management Committee (SMC) assessment, and learning environment assessment. The Reading Skill Improvement programme targeted around ~269 students from 1st – 4th grade with varying levels of proficiency in reading. The organisation promoted digital learning in ~10 government schools, enabling them to access digital assets across all levels. The assessment of the learning environment revealed a drive of remarkable transformation in the ~10 project schools, where educational practices evolved significantly from baseline to endline, creating an enriching and inclusive atmosphere conducive to student growth. This project benefitted ~10 Zilla Parishad schools, further positively impacting ~518 students.

Support higher education of underprivileged youth with Samarthnam Trust for Disabled: The objective of the partnership is to enable students to enrol in colleges, assist in academics (including expenses), provide reading and scribe support for the visually impaired during examinations and extend opportunities to participate in extracurricular activities like sports, music, dance and more. More than ~100 students benefitted from this programme who are in the process of completing their higher education and will be placed in lucrative employment in the future. The organisation helps ensure the students have access to quality food and safe and secure accommodation facilities. The partnership with Samarthnam Trust seeks to bridge the gap between disability and education, empowering individuals with disabilities to pursue their academic goals.

Education and holistic care of needy and deserving students with Purkal Youth Development Society: Avanse has partnered with Purkal Youth Development Society to ensure students, especially girls, receive holistic care, including nutrition, transport, uniforms, and healthcare, and access to education in CBSE-affiliated schools from classes 1 to 12. The impact extends to almost ~40 students and around ~20 educators.

Integrated life skill, education & livelihood programme with MelJol: As a part of this programme, over ~120 adolescents were trained to make informed career/future choices. ~620 children from Zilla Parishad and Ashram schools were trained using 'Sports for Development' method for engagement with children. Some of the life skills developed among children are participation, respect for diversity, communication, decision-making and more. This initiative enabled ~57 families to access the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY), and ~242 saving bank accounts were activated. ~364 mothers/women participated in the workshop, enhancing skills in making household budgets, saving, prioritising and planning.

Through these impactful partnerships, Avanse empowers underserved students to access education beyond boundaries and achieve their academic dreams. In FY23-24 alone, the CSR initiatives positively impacted the lives of over ~6,255 beneficiaries (students, educators and volunteering beneficiaries). The Company is dedicated to expanding its reach and creating a lasting positive influence on the communities it serves.

The Company's business model is supportive of positive social outcomes. Avanse caters its services to address the education needs of the Indian youth, offering to finance the entire education lifecycle of students from school to post-graduation and to promote and improve the quality of the education ecosystem of India.

Pune




Indore





Chennai





Bangalore





Ahmedabad



Jaipur

Outlook

Our young nation, consisting of ~58 crores people within the age bracket of 5-24 years, is seen zealously marching to be Atmanirbhar by accessing quality education from world-class universities. With the ever-increasing ambitions of students, Indian parents placing great emphasis on education, and the support of governmental policies, the education industry is set to grow exponentially. The organisation has witnessed a change in student behaviour, bringing quality education to the centre stage. Gen Z, the always-online population, aspires to pursue their higher education at premier educational institutes in India or abroad instead of settling for lesser-known colleges. The young learners aspire to seek impeccable education through highly acclaimed education programmes taught by world-class experts to be future-ready. The passion for developing competitive skills, distinct personalities, and transforming the world with their innovative mindset has encouraged the youth to chase their academic aspirations to be prepared to work in the dynamic business world.

Avanse has empowered student dreams through accessible education financing for the last 11 years. It has helped foster upward mobility for an entire generation. Looking to the future, the Company recognises the immense potential of India's young demographic. The Company's efficient risk management framework led to improved accuracy and robust processes, which further enhanced the portfolio quality. In sync with the spirit of the organisation's purpose, Avanse heavily invested in strengthening its digital framework to offer personalised experiences to its customers. Millions of aspiring minds seek to pursue their academic goals, and Avanse remains committed to being their trusted partner in this journey. With the help of its collaborative approach, innovative mindset, entrepreneurial spirit, execution focus, customer-centricity and strategic orientation, Avanse is well-positioned to capture a larger market share and empower countless individuals to rise above their boundaries.

Cautionary Statement

The statements made in this Management Discussion and Analysis Report may include forward-looking statements based on various assumptions regarding the Company's current and future business strategies and the environment in which it operates. Actual results may differ significantly from those expressed or implied due to risks and uncertainties. These risks and uncertainties encompass national and global economic conditions, political conditions, interest rate volatility, changes in regulations and policies affecting the Company's business, and other related factors. The Company does not undertake any obligation to update these statements. The Company has obtained the data and information referred here from sources believed to be reliable or from its internal estimates, the accuracy or completeness of which cannot be guaranteed.

Customer-centricity at the Core of the Business

Avanse Financial Services endeavours to deliver the highest quality experience to its customers and create consistent value for the stakeholders. Customer centricity is a way of doing business that places customers at the centre of every key function, decision and deliverable. It is the ability to understand the customers' situations, perceptions, and expectations. Being a customer-centric organisation, the Company ensures that all the business processes are dedicated to providing the best-in-class experience throughout their journey. Customers have always been at the focal point of all the decisions related to delivering products, services and experiences to create customer satisfaction, loyalty and advocacy.

Customer-centricity is one of the significant tenets of Avanse's 'SUCCESS ANCHORS' framework. Each employee of the Company imbibes this framework in the day-to-day activities so that they can provide financing solutions to cater to the exact needs and requirements of the customer. Led by customer insights, the Company curates simple and easy-to-comprehend offerings and ensures that the solutions meet their needs in a nimble and intuitive manner.

Scores across customer experience evaluation platforms

NPS	Trust Pilot	Google Reviews
75	3.7	4.2

I am really happy with the service provided by Avanse Financial Services for my education loan. They helped me a lot to accomplish my dreams, especially their team, who walked me through the process and got things done swiftly. Thank you so much, team.

Tejasri Katikapally
MS in Computer Science, University Of Texas at Arlington, USA

After submitting all my documents, my education loan was sanctioned within two days. Thank you Avanse Financial Services for such an amazing and prompt service.

Nikhil Walimbe
Management M.Sc. Queen Mary University of London, England

I delayed my plan to pursue my postgraduate overseas due to the unavailability of funds. That's when I connected with Avanse Financial Services. Their representative assured me my loan would be sanctioned. True to their commitment, the documentation was completed at my doo step, and my education loan was sanctioned. I am now pursuing my post-graduation in the UK.
This wouldn't have been possible without Avanse Financial Services.

Nikita Singh
Master's degree in International Management, University of Bolton, UK

On expressing interest in opting for an education loan, my consultant introduced me to multiple financial institutions. I connected with them and began shortlisting based on my unique financial requirement. Avanse Financial Services was the only provider that offered me a customised student loan that met all my finance-related needs. Once I connected with the team, the entire process was seamless. Once I submitted all the documents, my loan was disbursed, and fees were paid to the university within 15 days. I appreciate the team for being kind, patient, and helpful.

Akansha
Master of Science in Digital Marketing , University of Exeter, United Kingdom

I was in the process of evaluating a non-collateral education loan and came acrossAvanse Financial Services. One of my friends, too, had taken a loan from them, so my decision was inclined towards Avanse Financial Services. Their team was helpful throughout my journey and hand-held me during my education loan process, which was seamless from application to disbursement.

Ashutosh Borkar
MSc in Industrial & System Engineering, University of Michigan, USA

While I was in the process of opting for an unsecured education loan, I came across many positive reviews about Avanse Financial Services. So I decided to connect with them through their website. Their representative contacted me and explained the entire process detailing every requirement to get an education loan. After that, I submitted all the requested documents, and my education loan was sanctioned and disbursed smoothly.

Ronaldo Gomes
Master of Engineering Management (MEM), University of Leicester, UK

HAPPY CUSTOMERS

AWARDS & ACCOLADES

ET Now Best Organisation for Women
2024
ET Edge & Times Group

CX Strategy of the Year
2024
Inventicon Business Intelligence

Pioneer in Education Lending for the Year 2024
2024
Krypton

Great Place to Work®
2023
A prestigious recognition based on employee experience

Excellent Use of Technology in NBFC Services
2023
Elets

Education Financing Company of the Year
2023
ET Ascent

Best Automation Project - Education Finance Company
2023
Quantic

Risk Initiative of the Year
2023
Synnex

Excellence in Education Financing
2023
Lentra

Best Product Innovator NBFC of the Year – Education Loan
2023
Krypton

Avanse Global Finance IFSC Pvt. Ltd.

Avanse Global Finance IFSC Pvt. Ltd. (Avanse Global) is a 100% wholly-owned subsidiary of Avanse Financial Services Ltd., an education-focused, technologically advanced NBFC that provides hyper-personalised education financing solutions to every deserving Indian student. It is located at the Gujarat International Finance Tec-City (GIFT City) and is associated with International Financial Services Centres (IFSC). Avanse Global offers foreign currency (dollar) education loans to Indian students who want to study abroad. It takes care of all the education-related finance requirements, enabling students to pursue their academic dreams stress-free. Through this subsidiary, the Company reaches out to a broader spectrum of students, enabling upward mobility. It endeavours to empower students to enjoy repaying in dollars without worrying about the cost of forex conversions.

Responsible Lending: Avanse Global is a Company registered with the International Financial Services Centres Authority (IFSCA) as a finance company. It is a responsible business entity and, hence, thoroughly adheres to the codes and policies regulated from time to time. Avanse Global believes in being an equal opportunity lender and is thus agnostic about who the borrower is. Regardless of caste, religion, or social standing, the terms and conditions of lending apply equally to all.

Avanse Global understands the financial situation of borrowers and the steep cost of higher education. It will make every effort to extend the most benefits to its customers within the overall policy framework.

Board of Directors

Amit Gainda (Whole-time Director)

Amit has an illustrious career spanning over two decades in the BFSI sector. He has built businesses focused on sustained growth and profitability through decisive strategic choices in businesses, people, technology, and other organisational competencies. Amit's strategic guidance and vision as the Managing Director & CEO of Avanse have strengthened the organisation's leadership position in the education financing segment. He has completed his Postgraduate Programme in Management from the International Management Institute. He has done the INSEAD leadership programme for Senior Indian Executives from INSEAD. Prior to joining Avanse, he worked with GE Money Financial Services Limited, Bajaj Auto Finance Limited, Citicorp Credit Services India Limited, Dewan Housing Finance Corporation Limited and SB Leasing and Finance.

Yogesh Rawat (Director)

Yogesh is responsible for managing the operational effectiveness of the processes of the value chain. He holds a Master's degree in Business Administration from the Indian Institute of Technology, Bombay and Washington University, St. Louis. He is an associate member of the Institute of Chartered Accountants of India and is a qualified CA from the Institute of Cost and Works Accountants of India. He has experience in the banking, financial services and insurance sectors. Prior to joining our Company, he worked with ICICI Home Finance Company Limited and GE Money Financial Services Private Limited.

Vikrant Virendra Gandhi (Director & Chief Financial Officer)

Vikrant is responsible for managing financial accounting and reporting, treasury, financial planning and business analytics, governance framework, secretarial and taxation of our Company. He holds a Bachelor's degree in commerce from R. A. Podar College of Commerce and Economics, University of Bombay, a Postgraduate Diploma in Treasury & Forex Management from the Association of Certified Treasury Managers and completed a General Management programme (Executive Education) from Indian School of Business, Hyderabad. He is a qualified CA and ICWA. He has experience across the banking and financial services sector. Prior to joining our Company, he worked with ICICI Home Finance Company Limited and ICICI Bank Limited.

Vineet Mahajan (Director)

Vineet has substantial experience in the financial industry of 20+ years and a strong track record of delivering operational performance transformation, resource raising, balance sheet finalisation, budgeting, management reporting, portfolio securitisation, and more. He possesses in-depth knowledge of financial forecasting, cashflow management and regulatory compliance.

Product and Its Salient Features

Student Loan
It offers foreign currency (dollar) education loans to Indian students who want to study abroad.

Higher Loan Amount
The Company offers loan amount up to USD 1,21,000 enabling students to be stress-free and focus on their education.

Competitive Interest Rates
The interest rate starts at ~10%

Longer Tenure
15-year loan repayment tenure

No Forex Conversion Cost
With such loans, students can borrow and repay in the same currency. The product has been designed in such a way that students can save the forex conversion costs.

HARVARD

Harvard University has 79 libraries and 92 kilometres of shelves

The Widener Memorial Library is one of the primary and biggest libraries.

PRINCETON

A Princeton University flag was once planted on the moon

Princeton graduate Charles "Pete" Conrad (from the class of 1953) became the third man to walk on the moon in November of 1969. He was also the first to carry a Princeton flag on its surface and plant it there. Talk about alma mater pride!

YALE

Yale University has initiated groundbreaking scientific discoveries that have reshaped our understanding of the natural and physical world

One of the most famous colleges in the world, Yale is known for its historical innovations, which include the invention of the insulin pump, HIV infection drugs, and the first human cell-based cancer treatment.

DID YOU KNOW?

To,
Dear Members,

The Board of Directors ("the Board") of Avanse Financial Services Limited ("the Company" or "your Company") have the pleasure in presenting the 32nd Annual Report and the Audited Financial Statements (Consolidated and Standalone) of your Company for the Financial Year ended March 31, 2024 ("year under review").

1. Financial Summary and Highlights

The key highlights of the Audited Financial Statements of the Company for the year under review are summarized below:

(₹ in crores)

	Standalone		Consolidated	
Particulars	2023-24	2022-23	2023-24	2022-23
Total Income	1,728.27	990.23	1,728.81	990.23
Total Expenditure	1,268.64	778.89	1,269.52	778.92
Profit Before Tax	459.63	211.34	459.29	211.31
Profit After Tax	342.57	157.73	342.40	157.71
Other Comprehensive Income	(10.06)	2.30	(9.71)	2.30
Transfer to Reserve as per Section 45 - IC (1) of RBI Act	68.51	31.55	68.51	31.55

The above figures are extracted from the Audited Financial Statements (Standalone and Consolidated) prepared in accordance with Indian Accounting Standards ("IND AS") as notified under Sections 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Audited Financial Statements (Standalone and Consolidated) together with the Auditors' Reports thereon form part of the Annual Report of the Company for the year under review. Further, the aforesaid Annual Report of the Company is available on the website of the Company at https://www.avanse.com/investors

2. Review of Business Operations

The Company is a new age education focused Non-Banking Financial Company ("NBFC") registered with Reserve Bank of India ("RBI") that provide seamless and affordable education financing for every deserving Indian student. During the Financial Year 2023-24, the Company delivered a robust all-round performance which is reflected in the following snapshot:

The Company strategised and implemented various processes which helped it strengthen its overall Assets Under Management ("AUM") which stood at ₹13,303 crores as on March 31, 2024 as compared to ₹8,646 crores in the previous financial year.

During the Financial Year 2023-24, the Company disbursed education loans amounting to ₹6,335 crores as compared to ₹6,143 crores in the previous financial year and recorded a growth of 3% on a y-o-y basis.

The overall portfolio of the Company grew by 54% y-o-y basis. The Company recorded a total income of ₹1,728.27 crores as compared to ₹990.23 crores in the previous financial year. The net interest income reported for the period was ₹567.29 crores as compared to ₹353.24 crores in the previous financial year.

The Profit before tax increased by 117% from ₹211.34 crores in the previous Financial Year to ₹459.63 crores in the current Financial Year.

The Profit after tax increased by 117% from ₹157.73 crores in the previous Financial Year to ₹342.57 crores in the current Financial Year.

The Net Worth of the Company as on March 31,2024 stood at ₹3,644.52 crores (excl. deferred tax assets and intangible assets) as compared to ₹2,116.26 crores (excl. deferred tax assets and intangible assets) in the previous Financial Year, as reported in the Financial Statement.

The Gross Non-Performing Assets (GNPA) as on March 31, 2024 was ₹53.23 crores equivalent to 0.43% of the total loan book of the Company.

The Net Non-performing Assets (NNPA) as on March 31, 2024 stood at ₹16.12 crores resulting in NNPA of 0.13%.

The Company's total ECL provision/POS as of March 31, 2024 stands at 0.99% as compared to 1.09% as of March 31, 2023.

3. Dividend

In order to conserve resources for the future growth, the Board has not recommended any dividend on equity shares for the year under review.

4. Transfer to Reserve

For the financial year ended March 31, 2024, an amount of ₹68.41 crores had been transferred to the Special Reserve pursuant to the provisions of Section 45 - IC of the Reserve Bank of India Act, 1934.

5. Credit Rating

The Company's credit ratings are a positive reflection of its prudence, strong net worth base, adequate capitalisation and financial discipline.

Rating Agency	Instrument	Credit Ratings
CARE Ratings	Long Term Secured Borrowings in the form of Bank Loans and Non-Convertible Debentures	CARE AA-; (Stable) {Revision in rating and outlook from A+; Positive to AA-; Stable}
	Sub-ordinated Non-Convertible Debentures	CARE AA-; (Stable) {Revision in rating and outlook from A+; Positive to AA-; Stable}
	Market Linked Debentures	CARE PP-MLD AA-; (Stable) {Revision in rating and outlook from A+; Positive to AA-; Stable}
	Commercial Papers	CARE A1+ {Reaffirmed}
ICRA Limited	Commercial Papers	ICRA A1+ {New rating}
Brickworks Ratings	Long Term Secured Borrowings in the form of Non-Convertible Debentures	BWR AA- (Stable) {Revision in rating and outlook from A+; Positive to AA-; Stable}
	Sub-ordinated Non-Convertible Debentures	BWR AA- (Stable) {Revision in rating and outlook from A+; Positive to AA-; Stable}

Ratings by CARE Ratings has been revised for Long term bank facilities, Market Linked Debentures, Non-Convertible Debentures (including Subordinated Debt) from CARE A+; Positive to CARE AA-; Stable in May 2023. Further, CARE Ratings reaffirmed the rating of Commercial Paper borrowings programme of the Company in May 2023.

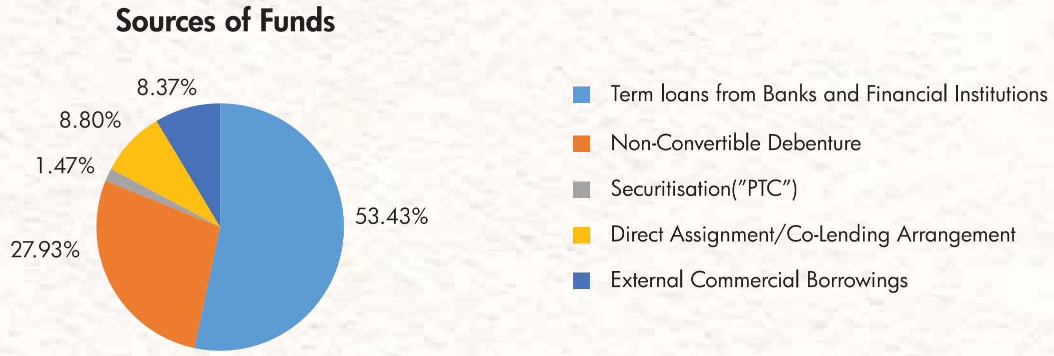
The Company has been assigned the rating of ICRA A1+ by ICRA Limited for its Commercial Paper Programme in November 2023.

During the year, Brickworks Ratings has revised the Company's rating from BWR A+ (Positive) to BWR AA- (Stable) for all Long Term Secured Borrowings in the form of Non-Convertible Debentures and Sub-ordinated Non-Convertible Debentures in January 2024.

All the above ratings indicate a high degree of safety with regard to timely payment of interest and principal.

6. Sources of Funds

The Company's borrowing philosophy continues to remain prudent with emphasis on long-term borrowings to ensure robust asset liability management, well diversified funding sources and maintenance of sufficient liquidity. The Company also ensured that liquidity buffer maintained is sufficient not only to meet its debt servicing obligations but also to provide enough cover for strong business demand. The debt profile remains long-term in nature keeping in mind long-term nature of assets in order to maintain robust asset liability management profile. Loans from Banks and Financial Institutions account for 53.43% of total borrowings followed by 27.93% in the form of Non-convertible Debentures, 1.47% in the form of Securitisation ("PTC"), 8.80% in the form of Direct Assignment/Co-Lending Arrangement, 8.37% in the form of External Commercial Borrowings.



a) Loan from Banks/Financial Institutions

During the year under review, the Company received sanctions for term loan of ₹3,255 crores from Banks/Financial Institutions, of which the Company availed term loans of ₹2,830 crores sanctioned during FY 23-24 and ₹490 crores from limits undrawn and sanctioned during FY 22-23. The outstanding bank loan as on March 31, 2024 was ₹5,921.45 crores. The Bank Loans were assigned the rating of 'CARE AA-/ Stable' by CARE Ratings Limited.

b) Non-Convertible Debentures ("NCDs")

During the year under review, the Company issued NCDs amounting to ₹1,055 crores on private placement basis. The NCDs are listed on the Debt segment of BSE Limited. The Company has been regular in the payment of principal/interest towards all the outstanding NCDs. As on March 31, 2024 the total outstanding NCDs are ₹3,053.47 crores and the total outstanding Subordinate Debt are ₹50.48 crores. NCDs were primarily issued to corporates and financial institutions such as Mutual Funds, Banks, Small Finance Banks etc.

c) External Commercial Borrowings ("ECB")

During the year under review, the Company had raised incremental External Commercial Borrowings of ₹844.62 crores, which were classified under the Social Loan category and were raised from domestic and foreign Banks. The total outstanding amount of External Commercial Borrowings stood at ₹929.72 crores as on March 31, 2024. Apart from the incremental ECB, the Company had raised ECB from World Business Capital, Inc., a USA based financial institution(s) in social impact category and is guaranteed by the US International Development Financial Corporation (DFC).

d) Commercial Papers

During the year under review, the Company had issued Commercial Papers amounting to ₹125 crores. Out of which, Commercial Papers amounting to ₹125 crores were listed on BSE Limited. There were no outstanding Commercial Papers as at March 31, 2024. The Company's Commercial Papers were assigned the highest rating of "CARE A1+" by CARE Ratings Limited and "ICRA A1+" by ICRA Ltd.

e) Securitisation ("PTC")

The Company, from time to time, accesses the securitisation market to raise long-term funds with matching asset maturity profile. During the year under review, no new PTC transactions were undertaken by the Company.

f) Direct Assignment ("DA")/Co-lending ("CLM")

The Company has assigned its pool towards Direct Assignment matching with its asset maturity profile. During the year under review, the Company assigned its loan pool and received ₹147.87 crores as purchase consideration.

The Company has actively engaged with Banks to enable it to access fund raising via the Co-lending channels. During the year under review, the Company had entered into a Co-lending agreement with a leading Public Sector Bank for the Education Loan product and a Private Sector Bank for the Education Institution Loan product in line with the guidelines issued by RBI. During the year under review, the Company had assigned its loan pool to the Co-lending partner banks and received ₹616.31 crores as consideration under the arrangement.

7. Material Events During The Year

There were no material events during the year under review other than the events covered in this Annual Report.

8. Proposed Initial Public Offering of the Company

The Board takes pleasure to inform that the Board had at their Meeting held on June 19, 2024 approved issue of equity shares of the Company up to an aggregate amount of ₹ 1,000 crores by way of a fresh issue of equity shares and an offer for sale of equity shares up to an aggregate of ₹ 2,500 crores by certain existing shareholders of the Company. The Shareholders had approved the same at their meeting held on June 20, 2024 post which the Company has filed its Draft Red Herring Prospectus dated June 20, 2024 ("DRHP") with SEBI. As on the date of this report, the Company is awaiting any comments/approval from SEBI on the DRHP.

9. Share Capital

a) Authorised Share Capital

As on March 31, 2024, the Authorised Share Capital of the Company is ₹2,00,00,00,000 divided into 17,50,00,000 equity shares of ₹10 each and 2,50,00,000 preference shares of ₹10 each.

On March 13, 2024, the Board had, inter alia, (i) resolved to take all appropriate steps in relation to the evaluation of options for raising additional capital and/or providing liquidity for its shareholders, including through an initial public offering of equity shares (having a fresh issue of equity shares component), ("IPO"), private placement of equity shares or any other method that may be permitted under the applicable laws; (ii) approved appointment of book running lead managers and legal counsels for IPO; and (iii) Authorised Company officials to appoint or engage services of other intermediaries, advisors, consultants in connection with the IPO of the Company.

Subsequent to the above, the Board and Shareholders of the Company had at their respective meeting held on April 4, 2024 and April 26, 2024, sub-divided the face value of the equity shares of the Company from ₹10 per equity share to ₹5 per equity share.

As a result, as on the date of the report, the Authorised Share Capital of the Company stands at ₹2,00,00,00,000 divided into 35,00,00,000 equity shares of ₹5 each and 2,50,00,000 preference shares of ₹10 each.

b) Issued, Subscribed and Paid-up Share Capital

As on March 31, 2024, the Company's issued, subscribed and paid-up equity share capital was ₹1,25,91,16,160 divided into 12,59,11,616 equity shares of ₹10 each.

During the year under review, the Company:

(a) Allotted 4,22,235 equity shares of ₹10 each on preferential basis on May 24, 2023;

(b) Allotted 4,73,233 equity shares of ₹10 each to the employees of the Company pursuant to Company's Employee Stock Option Plan – 2019 on June 22, 2023 which were subsequently transferred to one of the associate of the existing investor of the Company; and

(c) Effective from April 26, 2024, the Company's issued, subscribed and paid-up equity share capital stands at ₹1,25,91,16,160 divided into 25,18,23,232 equity shares of ₹5 each owing to sub-division of face value of equity shares of the Company.

As on the date of this Report, the entire shareholding of the Company is held in dematerialised mode.

10. Employee Stock Option Plan

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, providing an opportunity to the employees to share in the growth of the Company and to create long-term wealth in the hands of employees, thereby acting as a retention tool.

Your Company has formulated "Avanse Financial Services Limited Employee Stock Option Plan 2019" ("ESOP 2019") for the employees of the Company in compliance with the applicable provisions of the Act.

As your Company is in the process of offering its equity shares to the public through its IPO alongwith with offer for sale by certain existing shareholders and subsequent listing of the equity shares on one or more stock exchanges, the Company is required to ensure that its ESOP 2019 is in compliance with the Companies Act, 2013 along with the rules framed thereunder each as amended as well as with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended ("SEBI SBEB & SE Regulations").

Accordingly, the Board of Directors and the Shareholders of the Company had, at their meeting held on April 30, 2024 and June 20, 2024 respectively, amended ESOP 2019 to align the same with the SEBI SBEB & SE Regulations. The amendments are not prejudicial to any of the employees of the Company who have been granted options under ESOP 2019.

Further, the Board of Directors of your Company had, at their meeting held on May 14, 2024 approved Avanse Financial Services Limited Employee Stock Option Plan 2024 ("ESOP 2024") and the same has been approved by the Shareholders of the Company at their meeting held on June 20, 2024 for the benefit of the eligible employees of the Company and its subsidiary. The ESOP 2024 is in compliance with the Companies Act, 2013 and SEBI SBEB & SE Regulations.

The disclosure as required pursuant to Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014, is provided in "Annexure I" for ESOP 2019. The ESOP 2024 has come into force post the end of the year under review and hence the disclosure pursuant to the aforesaid rule are not applicable for ESOP 2024.

11. Meetings of the Board

The Board of your Company meets at regular interval to discuss and decide on the Company's performance, strategies and for various other purposes. During the year under review, the Board met 8 (Eight) times. The meetings of the Board were held on May 5, 2023, August 2, 2023, November 7, 2023 & November 8, 2023, December 14, 2023, January 30, 2024 & January 31, 2024, February 21, 2024, March 8, 2024 and March 13, 2024.

All the meetings were held in a manner that not more than 120 days lapsed between two consecutive meetings. The required quorum was present at all the above meetings. Further details on the Board, its meetings, its committee, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

12. Change in the Nature of Business

During the year under review, there had been no change in the nature of business of the Company.

13. Material Changes and Commitments affecting the Financial Position of the Company

There were no material changes and commitments affecting the financial position of the Company from the end of the financial year up to the date of this Report.

14. Details of Holding/Subsidiary/Joint Ventures/Associate Companies

Olive Vine Investment Ltd., a private company limited by shares, registered under the laws of Republic of Mauritius continues to remain holding company of your Company and Avanse Global Finance IFSC Private Limited ("Avanse Global") continues to remain wholly owned subsidiary of the Company.

Avanse Global is not a material subsidiary of the Company within the meaning of Regulation 16 of the SEBI Listing Regulations.

A statement containing the salient features of the financial statement of Avanse Global, as required under the Act, is provided in the financial statements in Form AOC-1 in "Annexure II".

The Company does not have any joint venture or associate during the year under review.

15. Insurance Regulatory and Development Authority of India ("IRDAI") Regulatory Guidelines

Your Company is registered with IRDAI as a Corporate Agent (Composite) vide registration No.CA0445. The Company acts as a Corporate Agent for Max Life Insurance Company Limited, Pramerica Life Insurance Limited, HDFC Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited, Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited) and Care Health Insurance Limited. The Company has complied with all the applicable rules and regulations prescribed by IRDAI during the year under review.

16. Internal Financial Controls

The Company and its subsidiary have well-established internal control systems in place that is commensurate with the nature of their business and size, scale and complexity of its operations. The internal financial controls with reference to the financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation were received from the Auditors of the Company for inefficiency or inadequacy of such controls.

17. Internal Audit

The Company has in place an effective internal audit framework to monitor the efficacy of internal controls. The Company has appointed Head of Internal Audit who is responsible for Internal Audit and instituted a Board approved Risk-based Internal Audit Policy in compliance with the RBI's Risk Based Internal Audit Framework for NBFCs as amended from time to time. The internal audit plan is approved by the Audit Committee and internal audits are undertaken on a periodic basis to independently validate the existing controls. Internal Audit Reports are reviewed by the management and corrective action is initiated to strengthen controls and enhance the effectiveness of existing controls.

All significant internal audit observations are presented on quarterly basis before the Audit Committee along with the status of management actions and the progress of implementation of recommendations.

18. Public Deposits

The Company had neither accepted nor renewed any deposits from the public during the year under review and in the past. Further, your Company would not accept any public deposit without prior approval from RBI.

19. Auditors

(a) Auditors, their Reports and Notes to Financial Statements

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, the SEBI Listing Regulations and circular concerning "Guidelines for appointment of Statutory Auditors" dated April 27, 2021 issued by RBI, as amended, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) ("Auditors") has been appointed as Auditors of the Company at the 28th Annual General Meeting of the Company for a term of three consecutive years from the conclusion of the 28th Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company.

The Board and the Audit Committee had reviewed the performance of the Auditors and their eligibility certificate for financial year 2023-24. The Auditors had confirmed that they are not disqualified to act as statutory auditors of the Company and that they comply with eligibility criteria as prescribed under the Act and the aforesaid RBI circular.

The Auditors' report does not contain any qualifications, reservations, adverse remarks or disclaimer.

The Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

Since the term of the existing Auditors will expire at the conclusion of the 31st Annual General Meeting of the Company, the Board has, based on the recommendation of Audit Committee, considered and recommended to the Shareholders the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), an affiliate of Grant Thornton, as the Auditors of the Company for a term of three consecutive years from the conclusion of the 31st Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company.

(b) Secretarial Auditors and their report and Secretarial Compliance Report

Pursuant to provisions of Section 204(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. HSPN & Associates LLP, Practicing Company Secretaries as the Secretarial Auditors of the Company for the year under review.

The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2024 as received from the Secretarial Auditor is attached as **"Annexure III"** to the Board's Report. The Secretarial Auditors' report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report obtained from Sachin Manseta & Associates, Practicing Company Secretaries, for the financial year ended March 31, 2024 was placed before the Audit Committee and the Board. The Report will be submitted to BSE Limited (on which NCDs of the Company are listed) and uploaded on the website of the Company at https://www.avanse.com/investors.

(c) Cost Records and Auditors

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Act are not applicable to the Company.

20. Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Annual Return of the Company as at March 31, 2024 in the prescribed Form MGT 7 is available on the Company's website at https://www.avanse.com/investors.

21. Conservation of Energy and Technology Absorption

As the Company is a NBFC, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 are not relevant to its activities.

22. Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings during the year under review. The foreign exchange outgo during the financial year ended March 31, 2024 was ₹ 52.07 crores; of which ₹ 14.70 crores and ₹ 37.37 crores was on account of payment of principal and interest on ECB borrowings respectively.

23. Directors and Key Managerial Personnel ("KMPs")

a) Directors

The composition of the Board of your Company continues to be in accordance with Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations with an appropriate combination of Executive, Non-executive and Independent Directors. As on March 31, 2024 the Board of the Company comprises of six Directors, consisting of four Independent Directors (including two Women Directors), one Non-Executive Director and one Managing Director and CEO. The Directors, individually and collectively, bring in a wide range of skills and experience to the Board.

The Board of Directors of the Company as on March 31, 2024 comprises:

Name of Director	DIN	Designation
Mr. Neeraj Swaroop	00061170	Independent Director and Chairperson
Mrs. Vijayalakshmi R. Iyer	05242960	Independent Director
Mr. Ravi Venkatraman	00307328	Independent Director
Mrs. Savita Mahajan	06492679	Independent Director
Mr. Narendra Ostawal	06530414	Non-Executive Director
Mr. Amit Gainda	09494847	Managing Director and CEO

The tenure of Mr. Amit Gainda as the Managing Director & CEO shall expire on July 29, 2024. The Board had, based on the recommendation received from the Nomination, Remuneration and Compensation Committee, approved and recommended to the Shareholders, at their meeting held on April 4, 2024, the re-appointment of Mr. Amit Gainda as the Managing Director & CEO for a consecutive period of 5 years with effect from July 30, 2024. Accordingly, the Company had intimated the same to RBI and the RBI had taken it on record the aforesaid re-appointment vide their communication dated May 6, 2024 and subsequently the Shareholders of the Company approved the said re-appointment of Mr. Amit Gainda as the Managing Director & CEO at their Meeting held on June 20, 2024.

The Board has approved the appointment of Mr. Hemant Mundra, Mr. Sunish Sharma and Mr. Luca Molinari as Additional Directors (each designated as Non-Executive Director) on the Board of the Company vide their resolution passed through circulation on April 21, 2024. The said appointments were subject to and with effect from the date of the approval from RBI. The RBI has approved the aforesaid appointment of the aforesaid three Directors vide their letter dated July 1, 2024. A detailed profile of the aforementioned Directors are provided in the notice convening the ensuing AGM.

As on the date of this report, the Board comprises of 9 (nine) Directors consisting of 4 (four) Independent Directors [including 2 (two) independent woman director], 4 (four) Non-Executive Directors and 1 (one) Managing Director and CEO.

b) Retirement by rotation

Pursuant to Section 152 of the Act read with the Articles of Association of the Company, the Board, has recommended to the Shareholders, re-appointment of Mr. Narendra Ostawal (DIN: 06530414), Non-Executive Director, who being eligible to retire, offers himself for re-appointment at the ensuing annual general meeting ("AGM") of the Company. A detailed profile of Mr. Ostawal is provided in the notice convening the ensuing AGM.

c) Declaration by Independent Directors

All Independent Directors have submitted their declaration of independence pursuant to Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In terms of the provisions of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs ("IICA"), Manesar.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold highest standards of integrity.

d) Fit and Proper Criteria

All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 ("RBI Master Directions"), as amended from time to time. The Directors have also confirmed that they have neither incurred any disqualification referred to in Section 164 of the Act for being Director of the Company nor have attracted any criteria prescribed in Section 167(1) of the Act which could lead to vacation of their office as Director.

e) Key Managerial Personnel

During the year under review, Mr. Vineet Mahajan ceased to be Chief Financial Officer of the Company with effect from the close of business hours of February 20, 2024; and Mr. Vikrant Gandhi was appointed as Chief Financial Officer of the Company at his place with effect from February 21, 2024.

In terms of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Amit Gainda, Managing Director & CEO, Mr. Vikrant Gandhi, Chief Financial Officer and Mr. Rajesh Gandhi, Company Secretary are the key managerial personnel of the Company as on March 31, 2024.

24. Annual Performance Evaluation

The evaluation framework for assessing the performance of the Directors of the Company comprises, among others, contributions made by them at the meeting(s) and strategic perspectives or inputs provided by them regarding the performance, governance, controls of the Company.

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board had carried out an annual evaluation of its own performance, Board Committees and individual Directors for the Financial Year 2023-24. For the above purpose, a formal mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria, which include, amongst others, providing strategic perspective, time devoted and preparedness for meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision-making ability, role and effectiveness of the Committees, etc. The Directors duly completed and submitted the questionnaires providing feedback on functioning of the Board as a whole, Committees and Chairman of the Board.

Further, in a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and the Chairperson were evaluated.

Basis the above, the performance of the Board, its Committees and individual directors was evaluated by the Board. The Board of the Company is satisfied with the functioning of the Board and its Committees, contribution of the Directors in their individual capacities. The Board has full faith in the Chairperson for leading the Board.

The details of the programme for familiarisation of the Independent Directors of your Company are available on the website of the Company at https://www.avanse.com/investors.

25. Policies and Codes

In terms of the applicable provisions of the RBI Master Directions, circulars/regulations/guidelines issued by SEBI including SEBI Listing Regulations, provisions of the Act and other applicable laws applicable and as a part of good corporate governance to ensure strong internal controls, the Board has adopted several codes/policies/guidelines and has also reviewed the same from time to time, which among others include the following:

a) Internal Guidelines of Corporate Governance

In terms of the RBI Master Directions, your Company has put in place a Board approved Internal Guidelines of Corporate Governance and the same can be accessed from the website of the Company at https://www.avanse.com/investors.

b) Code of Conduct for the Board and Senior Management Personnel ("SMPs")

Pursuant to the provisions of Regulation 17(5) of the SEBI Listing Regulations, the Company has adopted a Code of Conduct for the Board of Directors and the SMPs of the Company. The Code provides guidance to the Board and SMPs on the matters relating to professional conduct, ethics and governance. The Code can be accessed from the website of the Company at https://www.avanse.com/investors.

c) Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of unethical behaviour, actual or suspected fraud or violation of the Company's policies etc. It also provides for adequate safeguards against victimisation of persons who use this mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. Whistle Blower Policy is available on Company's website at https://www.avanse.com/investors.

During the year under review, no person was denied access to the Audit Committee to express concerns or reporting grievances under the Whistle Blower Policy/Vigil Mechanism.

d) Remuneration Policy

Your Company has adopted a Nomination, Remuneration, Succession and Evaluation Policy. The same forms part of this Annual Report and is attached as "Annexure IV". The same is also available on the website of the Company at https://www.avanse.com/investors.

e) Policy on Prevention of Prevention of Sexual Harassment of Women at Workplace

Your Company has in place a policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has also complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there were no complaints received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. Corporate Social Responsibility ("CSR")

The Company believes in integrating its business model with the social welfare of people and society in which it operates. The CSR Policy is available on the Company's website at https://www.avanse.com/investors.

The CSR Committee comprises of three directors viz., Ms. Savita Mahajan, Mr. Ravi Venkatraman and Mr. Narendra Ostawal. During the Financial year 2023-24, two meetings of the CSR Committee were convened. The attendance record of members is given in the Annual Report on CSR activities.

In terms of the provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the 'Annual Report on CSR activities' for the year under review is attached as "Annexure V".

The Chief Financial Officer has certified that the funds disbursed were utilised for the purpose and in the manner approved by the Board for the Financial Year 2023-24.

27. Particulars of Loans given, Investments made, Guarantees given or Security provided

During the year under review, the Company did not make any investment, given guarantee or provided security which is required to be disclosed pursuant to Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

28. Particulars of Contracts or Arrangements with Related Parties

During the year under review, all transactions entered into by the Company with related parties were in the ordinary course of business and on arm's length basis and were not considered material as per the provisions of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations. Hence, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is not applicable.

Requisite approval of the Audit Committee and the Board is obtained for all the related party transactions. There were no material transactions entered into with related parties during the period under review, which may have any potential conflict with the interest of the Company at large.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, disclosure of Related Party Transactions on standalone basis are submitted to BSE Limited on a half yearly basis and the same is published on the Company's website at https://www.avanse.com/investors.

The details of transactions with related parties of the Company for the year under review forms part of the notes to the Financial Statements, which form part of this Annual Report. The Policy on Materiality of Related Party Transactions and Dealing with Related Party is available on the Company's website at https://www.avanse.com/investors.

29. Corporate Governance Report

Report on Corporate Governance of the Company forms an integral part of this report and annexed as **"Annexure VI"**.

30. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review is presented as a separate section, which forms part of this Annual Report.

31. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the operating management, Directors of the Company state that:-

a) In the preparation of the annual accounts for the year ended March 31, 2024, the applicable Accounting Standards were followed along with proper explanation relating to material departures, if any;
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, 2024 and of the profit of the Company for that period;
c) Proper and sufficient care was taken 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 Statement of accounts for the financial year have prepared on a "going concern basis";
e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

f) Proper systems to ensure compliance with the provisions of the applicable laws are in place and the same are adequate and operating effectively.

32. Compliance with Secretarial Standards issued by the Institute of Company Secretaries of India

The Company is in compliance with the applicable secretarial standards viz. Secretarial Standards on Meetings of the Board of Directors and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

33. Code for Prohibition of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has a Board approved policy for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information. The Policy is available on the website of the Company at https://www.avanse.com/investors.

34. Other Disclosures

In terms of applicable provisions of the Act and the SEBI Listing Regulations, the Company discloses and confirms that during the year under review: there was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under ESOP 2019 referred to in this report;

(i) There was no scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;

(ii) There was no public issue, bonus issue or rights issue of any securities by the Company;

(iii) There was no issue of shares with differential rights;

(iv) There were no transfer of unpaid or unclaimed amount to Investor Education and Protection Fund;

(v) No significant or material orders were passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future;

(vi) There were no proceedings for Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 against the Company;

(vii) There was no failure to implement any Corporate Action;

(viii) There were no instance of one-time settlement with any Bank or Financial Institution.

(ix) There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under ESOP 2019 referred to in this report;

35. Acknowledgements

Your Directors take this opportunity to express its appreciation for the support and co-operation extended its customers, various partners and associates, regulators, Company's Bankers and other Lenders and Shareholders. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels for their exemplary contribution made in the growth of the Company.

For and on behalf of the Board of Directors

Neeraj Swaroop
Chairperson and Independent Director
DIN - 00061170
Place: Mumbai

Amit Gainda
Managing Director & CEO
DIN - 09494847
Place: Mumbai

Date: July 11, 2024

ANNEXURE 1

Details of Employees' Stock Option Scheme pursuant to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2024

I.	Options Granted	58,95,839
II.	Options Vested	18,91,377
III.	Options Exercised	4,73,233
IV.	Total number of shares arising as a result of exercise of option	18,91,377
V.	Options Lapsed	11,56,564
VI.	Exercise price	₹152, 193 and 230
VII.	Variation of terms of option	No variations
VIII.	Money realised by exercise of option	21,40,24,357
IX.	Total number of option in force (Excluding Exercise Options)	42,66,042

X. Employee wise details of options granted during the financial year ended March 31, 2024

a. Details of Options granted to Key Managerial Personnel ("KMP")

Name of KMP	Number of Options granted during the year
Vikrant Virendra Gandhi	1,20,000

b. Identified employees who were granted option, during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

N.A.

c. Any other employee who received grant of Options amounting to 5% or more of the Options granted during the year

Name of the Employee and Designation	Number of Options granted during the year
Nil	Nil

ANNEXURE 2

Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

Name of the Subsidiary Company	Avanse Global Finance IFSC Private Limited
The date since when subsidiary was acquired/ incorporated	11-01-2023
Reporting Currency	INR
Exchange Rate as on the last date of the relevant Financial year	₹ 83.3739 / USD
Share Capital (Equity)	₹ 26.74
Reserves and surplus	₹ 0.08
Total Assets	₹ 27.96
Total Liabilities	₹ 1.14
Investments	Nil
Turnover	₹ 0.80
Profit/(Loss) before taxation	(₹ 0.36)
Provision for taxation	₹ (0.09)
Profit/(Loss) after taxation	(₹ 0.27)
Proposed Dividend	Nil
Extent of shareholding (in %)	100%

None of the subsidiaries have been liquidated or sold during the year.

Part B: Associates and Joint Ventures

Since the Company does not have any associate or join ventures, this section is not applicable. Further, no associate of joint ventures have been liquidated or sold during the year under review.

April 30, 2024

Neeraj Swaroop
Chairperson and Independent Director
DIN: 00061170

Amit Gainda
Managing Director & CEO
DIN: 09494847

Vikrant Gandhi
Chief Financial Officer

Rajesh Gandhi
Company Secretary

ANNEXURE 3

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR FINANCIAL YEAR ENDED 31ST MARCH 2024

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)]

To,

The Members,

AVANSE FINANCIAL SERVICES LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AVANSE FINANCIAL SERVICES LIMITED** (hereinafter called "The Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate governance, statutory compliances and expressing our opinion thereon.

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

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

I. The Companies Act, 2013 ("The Act") the applicable and effective Amendments and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

III.The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;

IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations");

b. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable;

e. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

f. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 - Not applicable;

g. The Company has complied with the requirements under the Debt Listing Agreements entered with BSE LIMITED.

VI. The Management has identified and confirmed the Sector Specific Laws as applicable to the Company being in NBFC-ND-SI Sector as given in Annexure –1.

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

i) Secretarial Standards 1 and 2 as issued and revised by the Institute of Company Secretaries of India with effect from October 1, 2017.

ii) The SEBI Listing Regulations as amended and made effective from time to time including applicability of Regulation 16 to 27 of the SEBI Listing Regulations on compliance and explain basis.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards as mentioned above;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and whenever required requisite consents were taken for conducting meetings at shorter notice/sending agenda and notes to agenda at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that during the year under review:

1. The 30th Annual General Meeting of the Company for the financial year ended March 31, 2023 was held on September 27, 2023;

2. The Members at the 30th Annual General Meeting of the Company passed following resolutions;

i. Special Resolution pursuant to the provisions of Section 23, 42, 71 and other applicable provisions approved issuance and allotment of Secured/Unsecured/Perpetual/Senior/Subordinated Non-convertible Debentures/Bonds (“NCDs”) upto an amount of ₹5000 crores (Rupees Five Thousand crores only), for cash on Private Placement Basis, for the period from conclusion of 30th Annual General Meeting till the Conclusion of 31st Annual General Meeting in one or more tranches/series.

ii. A Special Resolution pursuant to provisions of Section 5,14 and all the other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder Alteration of Articles of Association (AOA) of the Company for insertion of Article 151 in the AOA relation to “Nominee Director of the Company” as required under SEBI (Debenture Trustee) Regulations, 1993.

iii. A Special Resolution pursuant to Section 180(i)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules for increasing borrowing powers of the Company which shall not exceed ₹18,000 crores (Rupees Eighteen Thousand Crores Only).

iv. A Special Resolution pursuant to Section 180(i)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules for creation of charges, mortgages, hypothecation on the assets and properties of the Company which shall not exceed ₹18,000 crores (Rupees Eighteen Thousand Crores Only).

3. Mr. Vineet Mahajan, Chief Financial Officer of the Company resigned from his office w.e.f February 20th, 2024. Further Board Appointed Mr. Vikrant Gandhi as Chief Financial Officer of the Company w.e.f February 21, 2024 pursuant to the provisions of Section 203 of the Companies Act, 2013.

4. Further, during the audit period, the following Secured, Rated, Listed, Redeemable Non-convertible Debentures ("NCDs“) were alloted/ redeemed/re-paid/boughtback:

i. Redemption of 500 (Five Hundred) NCDs of ₹10,00,000/- (Ten Lakhs) each face value on April 21, 2023.

ii. Redemption of 200 (Two Hundred) NCDs of ₹10,00,000/- (Ten Lakhs) each face value on April 30, 2023.

iii. Boughtback of 1550 (One Thousand Five Hundred and Fifty) NCDs of face value of ₹10,00,000/- each and 950 (Nine Hundred and Fifty) NCDs of face value ₹ 10,00,000/- on May 26th, 2023.

iv. Allotment of 50,000 (Fifty Thousand) NCDs of face value of ₹1,00,000/- (One Lakhs) and 20,000 (Twenty Thousand) NCDs of face vale of ₹1,00,000 (One Lakhs) each on May 30, 2023.

v. Redemption of 500 (Five Hundred) NCDs of ₹10,00,000/- (Ten Lakhs) each face value on 23rd June, 2023.

vi. Allotment of 5500 (Five Thousand Five Hundered) NCDs of face value of ₹1,00,000/- (One Lakhs) each on July 21,2023.

vii. Redemption of 1000 (One Thousand) NCDs of ₹10,00,000/- (Ten Lakhs) each face value on July 21, 2023.

viii. Allotment of 2500 (Two Thousand Five Hundred) NCDs of face value of ₹1,00,000/ (One Lakhs) each on July 28, 2023.

ix. Redemption of 4000 (Four Thousand) NCDs of face value ₹10,00,000/- (Ten Lakhs) each on July 28, 2023.

x. Allotment of 10,000 (Ten Thousand) NCDs of face value of ₹1,00,000/-(One Lakhs each and 10,000 (Ten Thousand) NCDs of face value of ₹1,00,000/- (One Lakhs) each on August 7, 2023.

xi. Redemption of 350 (Three Hundred and Fifty) NCDs of face value of ₹10,00,000/- (One Lakhs) each on August 25, 2023.

xii. Allotment of 7500 (Seven Thousand Five Hundred) NCDs of face value of ₹1,00,000/- (One Lakhs each on August 29, 2023

xiii. Redemption of 250 (Two Hundred and Fifty NCDs of face value of ₹10,00,000/- (Ten Lakhs) each on March15, 2024.

5. We further report that;

1. The members of the Company at their Extra-Ordinary General Meeting held on March 13, 2024 passed special resolution to issue and allot to Alpha Investment Company LLC & Avedus Future Leaders Fund II, by way of a preferential issue, an aggregate of 1,43,78,146 (One Crore Forty Three Lakhs Seventy Eight Thousand One Hundred and Forty Six) fully paid up equity shares of the Company of face value of ₹10/- each at an issue price of ₹695.50 per equity share (including premium of ₹685.50 per equity share), for a consideration payable in cash aggregating to ₹10,00,00,00,543 (Rupees One Thousand Crores Five Hundred and Forty Three only), on preferential allotment basis by issue of Private Placement Offer Letter.

   Further, out of the total issue, Board allotted 1,43,78,146 (One Crore Forty Three Lakhs Seventy Eight Thousand One Hundred and Forty Six) equity shares fully paid up and free of all encumbrances, ranking pari passu in all respect with the existing equity shares of the Company of the face value of ₹10 (Rupees Ten only) each at an issue price of ₹695.50 (Rupees Six Hundred and Ninty Five Fifty Paise only) per equity share (including premium of ₹685.50 per equity share), on March 22, 2024.

2. The members at their Extra Ordinary General Meeting held on March 22, 2024 passed special resolution for alteration of its Articles of Associaton ("Restated Articles") pursuant Pursuant to the Shareholders Agreement ("SHA") dated March 6, 2024 executed amongst the Company, Olive Vine Investment Ltd., International Finance Corporation, Kedaara Capital Growth Fund III LLP, Kedaara Pichola Holding Limited and AIC; and the Share Subscription Agreement dated March 6, 2024 executed between the Company and AIC.

6. We further report that during the audit report, Board allotted 44,22,235 (Forty Four Lakhs Twenty Two Thousand Two Hundred and Thirty Five equity shares to Kedaara Capital Growth Fund III LLP on May 24, 2023 on preferential basis pursuant to special resolution passed in Extra-Ordinary General Meeting held on January 6 2023.

7. We further report that during the period under review, the Company made.

i) Redemption of Commercial paper aggregating to ₹50 cr on September 27 , 2023.

ii) Redemption of Commercial paper aggregating to ₹50 cr on November 28, 2023.

iii) Redemption of Commercial paper aggregating to ₹25 cr on December14, 2023.

8. We further report that during the audit period 4,73,233 (Four Lakhs Seventy Three Thousand Two Hundred and Thirty Three) equity shares were allotted to eligible employees on June 22, 2023 pursuant to exercise of options granted to the eligible employees under the Avanse Financial Services Limited Employee Stock Option Plan – 2019 ("ESOP-2019"). Further for the period, grant of 2,08,132 (Two Lakhs Eight Thousand One Hundred and Thirty Two) Options was approved by NRC on June 20, 2023, grant of 1,84,536 (One Lakh Eighty Four Thousand Five Hundred and Thirty Six) Options was approved by NRC on November 7, 2023 & grant of 1,96,441 (One Lakh Ninty Six Thousand Four Hundred and Forty One) Options was all roved by NRC on February 21, 2024 to the eligible employees under the Avanse Financial Services Limited Employee Stock Option Plan – 2019 ("ESOP-2019").

9. We, further report that during the period under review, Reserve Bank of India (RBI) have carried an inspection of the Company during September 30, 2022 to October 21, 2022 and have issued its Report dated June 23, 2023. Company has submitted detailed submission on observations raised by RBI and as on the date of signing of this Report the outcome of the inspection is awaited.

10. We, further report that during the period under review, Reserve Bank of India (RBI) have carried an inspection of the Company during August 3, 2023 to September 4 2023 and have issued its Report dated January 3, 2024. Company has submitted detailed submission on observations raised by RBI and as on the date of signing of this Report the outcome of the report is awaited.

11. As on the date of this report, Board submitted an application to Reserve Bank of India (RBI) on April 8, 2024 for obtaining in-principal for re-appointment of Mr. Amit Gainda (DIN: 09494847) as Managing Director of the Company.

For HSPN & ASSOCIATES LLP
Company Secretaries

Date: April 30, 2024
Place: Mumbai
ICSI UDIN: F002827F000276155
PEER REVIEW NO.: 2507/2022

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

This report is to be read with our letter of even date which is annexed as Annexure – 2 and forms an integral part of this report.

Annexure – 1

SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY BEING AN NBFC-ND-SI

1. The Reserve Bank of India (RBI) Act, 1934.
2. RBI Directions, Guidelines, Circulars etc., applicable to NBFC-ND-SI.
3. The IRDA Regulations for Corporate Agents, 2015.

Annexure – 2

To,
The Members,
Avanse Financial Services Limited.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion. In case ambiguity on the applicability of any Provision of Regulation, we have relied on the Management Representation, if any.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For HSPN & ASSOCIATES LLP
Company Secretaries

Hemant S. Shetye
Designated Partner
FCS No.: 2827
COP No.: 1483

Date: April 30, 2024
Place: Mumbai
ICSI UDIN: F002827F000276155
PEER REVIEW NO.: 2507/2022

ANNEXURE 4

NOMINATION, REMUNERATION, SUCCESSION AND EVALUATION POLICY

1. TITLE

This policy shall be called as ''Nomination, Remuneration, Succession and Evaluation Policy''.

2. OBJECTIVE AND PURPOSE

In line with the statutory requirement under the Section 178 (3) of the Companies Act, 2013 (Companies Act) and the rules made thereunder, each as amended and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations and the regulatory frame work for Non-Banking Financial Companies (NBFC) issued by Reserve Bank of India (RBI), the Company has constituted a Committee named as Nomination, Remuneration and Compensation Committee ("Committee"). Further, the following policy has been prepared as per the requirement of the said provisions. The objective and purpose of the policy is:

a) To ensure that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees.

b) To ensure that relationship of remuneration to performance is clear and meets the performance benchmarks.

c) To ensure that remuneration to Directors, Key Managerial Personnel, Senior Management and other employees involves a balance between fixed and incentives pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. DEFINITIONS

i. **Board or Board of Directors** - means the Board of Directors of the Company.

ii. **Company** shall mean Avanse Financial Services Limited.

iii. **Committee** - means the Nomination, Remuneration and Compensation Committee of the Company.

iv. **Fit and Proper** - means the fit and proper criteria as prescribed by the Reserve Bank of India from time to time.

v. **Key Managerial Personnel** as defined in the Companies Act, 2013, as amended from time to time.

vi. **Senior Management Personnel** shall mean personnel of the Company who are Members of its core management team excluding Board of Directors and Chief Executive Officer (CEO) including all functional heads. All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, the Companies Act, the SEBI Listing Regulations and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. POLICY

A) Appointment/Nomination Criteria:

The Committee shall identify and ascertain the integrity, qualifications, skills, expertise, back ground, experience, independence etc. of the person for appointment as a Director and Key Managerial Personnel (KMP) and recommend to the Board his/her appointment. The appointment of the Directors and KMP shall be as per the provisions of the Companies Act, 2013 and other applicable laws, as amended from time to time.

i) For the appointment of Senior Management Personnel the criteria shall be to identify and ascertain integrity, qualification, skills, expertise, industry experience, back ground etc. of the person proposed to be appointed and the appointment of Senior Management Personnel shall be approved by the CEO of the Company.

ii) In case of appointment of Director, the Committee and the Board shall ensure that they meet the fit and proper criteria prescribed by the Reserve Bank of India as amended from time to time and maintain the position during their tenure in office.

iii) The Committee shall be duly informed about the appointment of any Senior Management Personnel.

iv) Any other criteria as the Committee may deem fit and/or mentioned in the applicable laws.

v) Within the permissible limit prescribed under the Companies Act, 2013 and/or any other applicable laws, for the time being in force, no Independent Director of the Company shall be on the Board of Directors of other NBFCs (i.e. NBFC – Middle Layer and/or NBFC-Upper Layer) in excess of what has been permitted under the applicable provisions of the Master Direction – RBI (NBFC – Scale Based Regulation) Directions, 2023 or such other direction or guidelines, for the time being in force, issued by the Reserve Bank of India and/or any other regulatory authority or body, from time to time.

B) Evaluation:

i) The Committee or Board shall carry out evaluation of performance of Board, its Committees and individual director on annual basis as per the provisions of the Companies Act, 2013, as amended from time to time. The manner of evaluation can be in the questionnaire form, rating form or in any other manner as may be decided by the Committee from time to time. The performance parameters includes, but not limited to expertise, objectivity & independence, understanding of the company's business, willingness to devote the time, participation in discussion, responsiveness, composition of Board/Committees, frequency of meetings etc.

ii) The evaluation of the KMP shall be done by the Committee based on their performance, achievements, ratings, Company's business performance etc.

iii) The performance evaluation of the Senior Management and other employees shall be as per the Company's performance, annual appraisal process, prevailing HR Policies and HR framework implemented by the Company from time to time.

C) Removal:

In case of any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable laws and breach of Company's prevailing HR Policies, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules, regulations and HR Policies.

D) Remuneration:

The compensation structure may also include stock options targeting employee participation in ownership of the Company and to ensure the retention of potential talents for the future growth and diversity of the Company. Any Director holding directly or indirectly more than 10% of the outstanding equity shares of the Company and Independent Director shall not be entitled to any stock options.

a) Executive Chairman/Managing Director/Whole-time Director:

i. The remuneration/commission/bonus/performance linked incentives etc. to the Executive Chairman/Managing Director/Whole-time Director, will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required as per applicable laws.

ii. The remuneration/commission to be paid to the Executive Chairman/Managing Director/Whole-time Director shall be as per the provisions of the Companies Act, 2013, and the rules made thereunder as amended from time to time and other applicable laws, if any.

iii. The NRC will determine the annual variable pay compensation in the form of annual incentive and annual increment for the executive director based on Company's and individual's performance as against the pre-agreed objectives for the year.

iv. The executive directors, except for a promoter director, will also be eligible for ESOPs as per the ESOP scheme in force from time to time. Grants under the ESOP scheme shall be approved by the NRC.

v. In case of inadequacy of profit in any financial year, the remuneration payable to the executive director shall be further subject to the relevant provisions of the Companies Act.

vi. Increments/Revision to the existing remuneration/compensation structure shall be recommended by the Committee to the Board for its consideration and approval.

b) Non-Executive Director/Independent Director:

i. The Commission may be paid to the Non-Executive Director/Independent Director at a rate not exceeding 1% per annum of the profits of the Company as per the provisions of Articles of Association, Section 198 of the Companies Act, rules made there under and other applicable laws, if any. The commission to be paid will be restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year.

ii. The Non-Executive Directors/Independent Director may receive sitting fees for attending meetings of Board or Committee(s) thereof approved by the Board from time to time in line with the applicable provisions of the Companies Act, 2013.

c) KMP and Senior Management Personnel

The remuneration to the KMP and Senior Management Personnel of the Company shall be in line with the Company's philosophy to provide fair compensation to key–executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests. The remuneration of Senior Management Personnel at the time of appointment including performance linked incentives, any revision/increments in the remuneration shall be approved by the CEO as per the HR Policy of the Company.
The remuneration, annual increments, performance linked incentives, perquisites etc. to the KMP of the Company shall be recommended by the Committee and approved by the Board of Directors.

d) Remuneration of Other Employees:

Apart from Directors, KMP and Senior Management, the remuneration of rest of the employees will be determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity, local market conditions in competitive environment and HR Policy of the Company.

e) Succession Plan for the Board

A well-defined succession plan will ensure that the Company continues to get strategic guidance on the areas like business plans, corporate performance, governance, risk and control and effective monitoring of the management from the Board.

Towards the above and for effective succession plan of the Board, the NRC shall
a. Review and analyze , on a continuous basis, the composition of the Board;
b. Consider the need to appoint new Director(s) on the Board, which may arise owing to resignation/vacation of office by any Board Member or due to any change in regulatory framework/requirement or to meet the need to navigate the Company and its Management on its growth trajectory;
c. In case any Director is due for retirement in next 6 months, the Committee may review the possibility of re-appointment of such Director, subject to applicable laws and the meeting of the fit and proper criteria by such Director, on basis of evaluation of performance of such Director and on the basis of fit & proper criteria and the Director's willingness to be re-appointed;

Based on the above, the Committee shall evaluate the need for appointment of Director(s), category of Director(s) to be appointed alongwith the desired profile of the proposed Director(s).

Procedure to be followed post assessment of need to appoint Director(s):
(i) Once the need to appoint Director(s) is assessed, the Committee shall, as soon as reasonably practicable, recommend to the Board, sufficient number of candidates for appointment.

(ii) The Committee shall review the profile of the prospective candidates for appointment as Director on the Board taking in consideration knowledge, experience, financial literacy/expertise, global market awareness, gender diversity and other relevant factors as may be considered appropriate. The Committee shall be guided by the Board Diversity Policy in this regard.

(iii) The Committee shall also assess the Fit and Proper criteria of the prospective candidate as required under the RBI guidelines.

(iv) If a director's position suddenly becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as early as possible to implement the process described herein above.

(v)The Committee shall recommend to the Board the suitable candidate for appointment as Director(s) including recommendation as to the tenure, remuneration/compensation (in case of non-independent director) of such candidate.

5. AMENDMENTS

Any amendment to this Policy shall be done post obtaining approval from the Board.
It is hereby clarified that if and when any applicable laws concerning the subject matter of this Policy are promulgated, amended, enacted, re-enacted or modified, this Policy shall, unless otherwise prescribed, be deemed to be amended to take into account or to give effect to such promulgated, amended, enacted, re-enacted or modified applicable laws.

ANNEXURE 5

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

Our vision is to make quality education accessible for deserving underserved Indian Students through the Company's CSR initiative. For details of the CSR Policy along with projects and programmes, kindly refer to the website of the Company - https://www.avanse.com/investors.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Savita Mahajan	Chairperson (Independent Director)	2	2
2	Mr. Ravi Venkatraman	Member (Independent Director)	2	2
3	Mr. Narendra Ostawal	Member (Non-executive Director)	2	2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: https://www.avanse.com/investors

4. Provide the executive summary alongwith the web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹1,15,11,53,264

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹2,30,23,065

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (a+b-7c):

₹2,31,00,000 [post rounding off of the amount mentioned in para 5(b) above]

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹2,31,00,000

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a) + (b) + (c)]: ₹2,31,00,000

(e) CSR amount spent or unspent for the financial year: Nil

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,31,00,000	-	-	-	-	-

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Credit Ratings
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	2,30,23,065
(ii)	Total amount spent for the Financial Year	2,31,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	76,936*

(*) Subject to approval of the Board and applicable provisions of the Act.

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance amount in Unspent CSR account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer.		
1	FY2022-23	-	-	-	-	-	-	-
2	FY2021-22	8,40,000	-	8,40,000	-	-	-	-
3	FY2020-21	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No

If yes, enter the number of capital assets created/acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the financial year:

Sr. No.	Short Particulars of the property/asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
		-	-	-	CSR Registration no., if applicable	Name	Registered address
		-	8,40,000	-			
		-	-	-			
Not applicable							

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135.

Not applicable

Amit Gainda
Managing Director & CEO
DIN: 09494847
Place: Mumbai
Date: July 11, 2024

Savita Mahajan
Independent Director & Chairperson CSR Committee
DIN: 06492679
Place: Dehradun
Date: July 11, 2024

ANNEXURE 6

1. Company's Philosophy on Code of Governance

Corporate Governance is the framework by which the Company ensures transparency in all its dealings and whereby various stakeholders' interests are balanced. The Company's philosophy on Corporate Governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company recognises its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics and accountability to its customers, government and others.

2. Board of Directors

Your Company has a broad-based Board which consists of eminent individuals from industry, management, technical, financial and banking background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board. Independent Directors on the Board possess professional and business acumen of all fields at the Board level. As on March 31, 2024, the Board comprised of 6 (six) Directors consisting of 4 (four) Independent Directors [including 2 (two) independent woman director], 1 (one) Non-Executive Director nominated by the majority shareholder and 1 (one) Managing Director and CEO. There were no changes in the Board of Directors of the Company during the year under review.

During the year under review, the Board met 8 (Eight) times. The meetings of the Board were held on May 5, 2023, August 2, 2023, November 7 & 8, 2023, December 14, 2023, January 30 & 31, 2024, February 21, 2024, March 8, 2024 and March 13, 2024.

The Board approved the appointment of Mr. Hemant Mundra, Mr. Sunish Sharma and Mr. Luca Molinari as Additional Directors (each designated as Non-Executive Director) on the Board of the Company vide their resolution passed through circulation on April 21, 2024. The said appointments were subject to and with effect from the date of the approval from RBI. The RBI approved the aforesaid appointment of the aforesaid three Directors vide their letter dated July 1, 2024.

As on the date of this report, the Board comprises of 9 (nine) Directors consisting of 4 (four) Independent Directors [including 2 (two) independent woman director], 4 (four) Non-Executive Directors and 1 (one) Managing Director and CEO.

The Chairman of the Board is an Independent Director. There is no inter-se relationship between the Directors of the Company and none of the Non-Executive Directors hold any shares or convertible instruments of the Company except Mr. Amit Gainda, Managing Director & CEO, who holds 1 equity share of the Company as a nominee shareholder of Olive Vine Investment Ltd.

All Independent Directors on the Board are non-executive director as defined under the Act and SEBI Listing Regulations. The maximum tenure of the independent directors is in compliance with the Act and SEBI Listing Regulations. In the opinion of the Board, the Independent Directors are independent of the management and fulfil the conditions of independence as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and other applicable laws.

In terms of the provisions of the Act and SEBI Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/or Committees of other companies from time to time. On the basis of such disclosure, it is confirmed that as on the date of this report, none of the Directors:

(i) Hold Directorship in more than 10 (Ten) public companies;
(ii) Hold Directorship in more than 7 (Seven) listed entities;
(iii) Severs as an Independent Director in more than 7 (Seven) listed entities;
(iv) Is a member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees (i.e. Audit Committee and Stakeholders Relation ship Committee) a cross all the public companies in which he/he is a Director.

Further, none of the independent director is/was at anytime during the year under review on the Board of Directors of more than 3 (three) NBFC – Middle Layer or NBFC – Upper Layer.

The details of each member of the Board as on March 31, 2024, attendance of each Director at the Board of Directors Meetings and at the last AGM along with the number of Directorship/Committee Membership are as given below:

Sr. No.	Name of Director, DIN, Designation, Category and date of appointment	No. of Other Directorship	Outside Committee positions held*		Names of other listed entities where Director holds Directorship and category**	No. of Board meeting of the Company attended during the year	Whether attended last AGM of the Company?
			Member	Chairperson			
1	Mr. Neeraj Swaroop (DIN: 00061170) Chairperson- Non-executive Independent Director 30/07/2019	3	2	0	i. Nominee Director at Spandana Sphoorty Financial Limited ii. Independent Director at SBFC Finance Limited	8	Yes
2	Ms. Vijayalakshmi Iyer (DIN: 05242960) Non-executive Independent Director 30/07/2019	10	5	3	Independent Director at i. Aditya Birla Capital Limited ii. ICICI Securities Limited iii. Computer Age Management Services Limited iv. CG Power and Industrial Solutions Limited v. Glenmark Pharmaceuti-cals Limited	8	No
3	Ms. Savita Mahajan (DIN: 06492679) Non-executive Independent Director 01/12/2018	4	1	1	Independent Director at i. Aurobindo Pharma Limited ii. India Shelter Finance Corporation Limited	8	Yes
4	Mr. Ravi Venkatraman (DIN: 00307328) Non-executive Independent Director 05/07/2021	9	3	2	Independent Director at i. ESAF Small Finance Bank Limited ii. SBFC Finance Limited	8	Yes
5	Mr. Narendra Ostawal (DIN: 06530414) Non-executive Non-Independent Director 30/07/2019	8	3	0	Nominee Director at i. Fusion Micro Finance Limited ii. Computer Age Management Services Limited iii. Home First Finance	7	Yes
6	Mr. Amit Gainda (DIN: 09494847) Executive Director- Managing Director & CEO 02/03/2022	1	0	1	Company India Limited Whole Time Director at Avanse Global IFSC Private Limited	8	Yes

*Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee in all Indian public companies
** Only equity listed entities are considered

Core Skills/Expertise/Competencies of the Board

As stipulated under Schedule V of the Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The chart matrix for the above alongwith the names of directors who possess those skills is placed on the Company's website at https://www.avanse.com/investors.

Familiarisation Programme

Pursuant to the applicable provisions of the Listing Regulations, the Company has adopted Familiarisation Programme. The familiarisation programme aims to provide Independent Directors with the socio-economic environment, in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments so as to enable them to take well-informed decisions in a timely manner.

The details of such familiarisation programmes for Independent Director(s) are put up on the website of the Company and can be accessed through at https://www.avanse.com/investors.

3. Committees of the Board

Your Board has constituted committees with specific terms of reference as per the requirements of the Listing Regulations, the Act, RBI Master Directions and other applicable provisions. The Board accepted all recommendations of the Committees of the Board during the financial year under review. The Committees play a vital role in the effective compliance and governance of the Company in line with their specified and distinct terms of reference and role and responsibilities. The minutes of the Meetings of all Committees are placed before the Board for its perusal on a regular basis.

The Committees of the Board are elaborated hereunder:

a) Audit Committee

The constitution of this Committee is in compliance with the provisions of Section 177 of the Act, the Listing Regulations and RBI's Master Directions, as amended from time to time.

All the Members of the Audit Committee are financially literate. The Chairperson and Members of the Audit Committee have accounting or related financial management expertise.

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act, read with Companies (Meeting of Board and its Powers) Rules, 2014, the Listing Regulations and as required by other applicable laws. The said terms of reference are provided in the Corporate Governance Policy of the Company which is available on the website of the Company at https://www.avanse.com/investors.

During the year under review, the Committee met 5 (Five) times i.e. on May 5, 2023, August 2, 2023, November 8, 2023, January 31, 2024 and February 21, 2024.

The composition of the Audit Committee as on March 31, 2024 and the details of attendance of each Committee Member at the above said meetings is as follows:

Sr. No	Name of Member	No. of Meetings	
		Held during the tenure	Attended
1	Mr. Ravi Venkatraman, Independent Director & Chairperson	5	5
2	Ms. Vijayalakshmi Iyer, Independent Director & Member	5	5
3	Ms. Savita Mahajan, Independent Director & Member	3	3
4	Mr. Narendra Ostawal, Non-executive Director & Member	5	3

The Statutory and Internal Auditors of your Company are invited to attend the Audit Committee meetings. In addition, other Senior Management Personnel are also invited to the Audit Committee meetings from time to time, for providing such information as may be necessary. The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to provide accurate, timely and proper disclosures and maintain the integrity and quality of financial reporting.

During the year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of your Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the internal control system of your Company.

b) Nomination Remuneration and Compensation Committee ("NRC Committee")

The constitution of the NRC Committee is in compliance with the provisions of the Act and the Listing Regulations. The terms of reference of the Committee are in accordance with the provisions of Section 178 of the Act, read with Companies (Meeting of Board and its Powers) Rules 2014, the Listing Regulations and as required by other applicable laws. The said terms of reference are provided in the Corporate Governance Policy of the Company which is available on the website of the Company at https://www.avanse.com/investors.

During the year under review, the Committee met 3 (Three) times i.e. on April 20, 2023, November 7, 2023 and February 21, 2024.

The composition of the NRC Committee as on March 31, 2024 and the details of attendance of each Committee Member at the above said meetings is as follows:

Sr. No.	Name of Member	No. of Meetings	
		Held during the tenure	Attended
1	Ms. Vijayalakshmi Iyer, Independent Director & Chairperson	3	3
2	Mr. Neeraj Swaroop, Independent Director & Member	3	3
3	Mr. Narendra Ostawal, Non-executive Director & Member	3	3

Performance Evaluation Criteria for Independent Directors

The Board had carried out an annual evaluation of its own performance, Committees of the Board and individual Directors for the Financial Year 2023-24. Manner of annual evaluation has been provided in the Board's report.

The Board of Directors reviewed the performance of the individual Directors including independent directors. The evaluation of independent directors was carried out based on criteria like (i) investment of time in understanding the Company and its unique requirements; (ii) ability to bring external knowledge and perspective to the table for discussion at the meetings; (iii) expression of views on the issues discussed at the meetings; and (iv) ability to keep himself /herself updated on the areas and issues that are likely to be discussed at the Board level.

The Independent Directors, at their separate Meeting reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson. The performance evaluation of the Independent Directors of the Company was carried out by the Board of the Company excluding the Director being evaluated. The Board has expressed its satisfaction with the evaluation process.

c) Stakeholders' Relationship Committee ("SRC")

The constitution of SRC is in accordance with the provisions of the Listing Regulations. The terms of reference of this Committee, inter alia, includes review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards in respect of various services rendered by the share transfer agent and to look into grievances of shareholders of the Company.

During the year under review, the Committee met on August 2, 2023.

The composition of the SRC as on March 31, 2024 and the details of attendance of each Committee Member at the above said meeting is as follows:

Sr. No.	Name of Member	No. of Meetings	
		Held during the tenure	Attended
1	Mr. Neeraj Swaroop, Independent Director & Chairperson	1	1
2	Ms. Savita Mahajan, Independent Director & Member	1	1
3	Mr. Narendra Ostawal, Non-executive Director & Member	1	0

Details of Shareholders' Complaints

During the Financial Year 2023-24, no complaints were received from the shareholders.

Complaints pending as on April 01, 2023	Complaints received during the period from April 01, 2023 to March 31, 2024	Complaints received during the period from April 01, 2023 to March 31, 2024	Complaints pending as on March 31, 2024
Nil	Nil	Nil	Nil

d) Risk Management Committee ("RMC")

This Committee is constituted in compliance with Regulation 21 of the Listing Regulations and the RBI Master Direction. The terms of reference of the Committee, inter alia, include ensuring formulation and implementation of the Risk Management Policy of the Company and are in line with the Listing Regulations and other applicable laws.

During the year under review, the Committee met on May 5, 2023, August 2, 2023, November 7, 2023 and January 30, 2024.

The composition of the RMC as on March 31, 2024 and the details of attendance of each Committee Member at the above said meetings is as follows:

Sr. No.	Name of Member	No. of Meetings	
		Held during the tenure	Attended
1	Mr. Neeraj Swaroop, Independent Director & Chairperson	4	4
2	Mr. Ravi Venkatraman, Independent Director & Member	4	4
3	Ms. Vijayalakshmi Iyer, Independent Director & Member	4	4
4	Mr. Narendra Ostawal, Non-executive Director & Member	4	3
5	Mr. Amit Gainda, Managing Director and CEO & Member	4	4
6	Mr. Vikrant Gandhi, Chief Financial Officer & Member@	0	0
7	Mr. Samir Mohanty, Chief Transformation Officer & Member	4	4
8	Mr. Sorabh Malhotra, Chief Risk Officer & Member	4	4
9	Mr. Yogesh Rawat, Chief Operating Officer & Member	4	4

@ Appointed as member of RMC with effect from February 21, 2024.

e) Corporate Social Responsibility (CSR) Committee

This Committee is constituted in compliance with the provisions of Section 135 of the Act and rules made there under. The terms of reference of the CSR Committee are in accordance with the provisions of Section 135 of the Act and as required by other applicable laws. The said terms of reference are provided in the Corporate Governance Policy of the Company which is available on the website of the Company at https://www.avanse.com/investors.

During the year under review, the Committee met on May 5, 2023 and November 7, 2023.

The composition of the CSR Committee as on March 31, 2024 and the details of attendance of each Committee Member at the above said meetings is as follows:

Sr. No.	Name of Member	No. of Meetings	
		Held during the tenure	Attended
1	Ms. Savita Mahajan, Independent Director & Chairperson	2	2
2	Mr. Ravi Venkatraman, Independent Director & Member	2	2
3	Mr. Narendra Ostawal, Non-executive Director & Member	2	2

f) IT Strategy Committee ("ITC")

This Committee is constituted in compliance with the RBI guidelines. The terms of reference are provided in the Corporate Governance Policy of the Company which is available on the website of the Company at https://www.avanse.com/investors.

During the year under review, the Committee met on April 28, 2023, August 2, 2023 and November 7, 2023.

The composition of the ITC as on March 31, 2024 and the details of attendance of each Committee Member at the above said meetings is as follows:

Sr. No.	Name of Member	No. of Meetings	
		Held during the tenure	Attended
1	Mr. Neeraj Swaroop, Independent Director & Chairperson	3	3
2	Ms. Savita Mahajan, Independent Director & Member	3	3
3	Mr. Narendra Ostawal, Non-executive Director & Member	3	2
4	Mr. Amit Gainda, Managing Director and CEO & Member	3	3
5	Mr. Vikrant Gandhi, Chief Financial Officer & Member@	0	0
6	Mr. Samir Mohanty, Chief Transformation Officer & Member	3	3
7	Mr. Amit Yadav, CBO-Digital and Chief Strategy Officer & Member	3	3
8	Mr. Sorabh Malhotra, Chief Risk Officer & Member	3	3
9	Mr. Yogesh Rawat, Chief Operating Officer & Member	3	3

@ Appointed as member of ITC with effect from February 21, 2024.

4. Remuneration to Directors

The Company has not entered into any pecuniary transaction with its Non-Executive Non Independent Director.

All Independent Directors are paid sitting fees and commission. The details of payment of sitting fees and commission for the year under review are provided in the Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.avanse.com/investors.

The remuneration package of Mr. Amit Gainda, Managing Director and CEO, comprises of salary, perquisites and other benefits as approved by the Shareholders of the Company. The remuneration paid to Mr. Gainda is governed by the Employment Agreement executed between him and the Company. Details of the remuneration paid to the Mr. Amit Gainda for the year ended March 31, 2024 are provided in the Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.avanse.com/investors.

5. General Body Meetings

(i) Annual General Meeting ("AGM")

Location and time where last three AGMs were held:

Financial Year	Date	Time	Location
2022-23	September 27, 2023	4:50 PM	Registered Office of the Company
2021-22	September 27, 2022	10:00 AM	Registered Office of the Company
2020-21	September 6, 2021	11:00 AM	Registered Office of the Company

Special Resolution passed in previous three AGMs:

Sr. No.	Date of Annual General Meeting	Special Resolution
1	September 27, 2023	- Issue of Non-Convertible Debentures on Private Placement Basis - Alteration in the Articles of Association of the Company - Increase in the borrowing limit of the Company - Creation of security in connection with the borrowings of the Company
2	September 27, 2022	- Re-appointment of Mr. Neeraj Swaroop, (DIN: 00061170) as an Independent Director of the Company - Re-appointment of Ms. Vijayalakshmi Iyer, (DIN: 05242960) as an Independent Director of the Company - Issue of Non-Convertible Debentures on Private Placement basis
3	September 6, 2021	- Issue of Non-Convertible Debentures on Private Placement Basis - Re-appointment of Ms. Savita Mahajan, (DIN: 06492679) as an Independent Director of the Company

(ii) Extra-Ordinary General Meeting

During FY 2023-24, two Extra-Ordinary General Meetings were held on March 13, 2024 and March 22, 2024. Details of special resolution in those meetings are as follows:

Sr. No.	Date of Extra Ordinary General Meeting	Special Resolution
1	March 13, 2024	To alter the articles of association of the Company Issue of Equity shares to Alpha Investment Company LLC and Avendus Future Leaders Fund II on Preferential Basis
2	March 22, 2024	To alter the articles of association of the Company

Postal Ballot

There was no postal ballot conducted during the year.

6. Means of Communication

I. Quarterly Results

The quarterly, half yearly and annual financial results of the Company are intimated to the Stock Exchange as per the timeline prescribed under the Listing Regulations.

II. Newspaper Publication

The quarterly, half yearly and annual financial results of the Company along with any other communication for stakeholders were published in English daily newspaper "Business Standard".

III. Website

Financial results, Annual Reports and other disclosure are updated on the website of the Company www.avanse.com. The website contains details as required under the Listing Regulations, the Act and any other applicable laws.

IV. Official News Releases

The Company displays official news releases as and when the situation arises.

V. Presentations

The Company makes investor presentation when found appropriate.

7. General Shareholder Information

a)	Incorporation Date	07/08/1992
b)	Registered Office Address	As on March 31, 2024: 001 & 002 Fulcrum, A Wing, Ground Floor Sahar Road, Next to Hyatt Regency, Andheri (East) Mumbai – 400099 As on the date of this report: Times Square Building, E Wing, 4th floor, Opp. Mittal Industrial Estate, Gamdevi, Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059, Maharashtra
c)	Corporate Identification Number (CIN)	U67120MH1992PLC068060
d)	Date, time and venue of the AGM	As mentioned in the notice convening the AGM
e)	Financial Year	2023-24
f)	Dividend Payment date	NA
g)	Listing on Stock Exchanges	Non-Convertible Debentures (NCDs) issued by the Company are listed on the Debt segment of the BSE Limited ("BSE") having address at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
h)	Payment of listing fees	The Company has paid the annual listing fees for the relevant period to BSE where its securities are listed.
i)	Stock/Security Code	952525

j)	Market Price data-high, low during each month in last financial year	NA
k)	Performance in comparison to broad-bases indices such as BSE Sensex, CRISIL Index, etc.	NA
l)	Suspension of Company's Securities	NA
m)	Registrar & Share Transfer Agents	Link Intime India Private Limited C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083 Maharashtra, India Tel: +91 22 4918 6200, FAX: +91 22 49186195 Website: https://linkintime.co.in/ Email ID: rnt.helpdesk@linkintime.co.in
n)	Plant Locations	Since the Company is in the business of finance, the disclosure with regard to plant location is not applicable.
o)	Address for Correspondence relating to grievances in relation to non-receipt of Annual Report, dividend and share/security certificates sent for transfer etc. including any requests/intimation for change in address, issue of duplicate share certificates, change in nomination shall be sent to	Company Secretary & Compliance Officer: Times Square Building, E Wing, 4th floor, Opp. Mittal Industrial Estate, Gamdevi, Andheri Kurla Road, Marol, Andheri (East), Mumbai 400 059, Maharashtra (As on the date of this report)
p)	Outstanding Global Depository Receipts/American Depository Receipts/Warrants and Convertible Bonds, conversion date and likely impact on equity	Not applicable since the Company had not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
q)	Commodity Price Risks/Foreign Exchange Risk and Hedging Activities	This is not applicable since the Company did not have any derivatives or liabilities denominated in foreign currency.
r)	Dematerialisation of Shares, Liquidity and Share Transfer System	Save as otherwise mentioned in the Board's Report, the entire shareholding of the Company is held in dematerialized mode.
s)	Distribution of shareholding pattern	N.A. The Company's equity shares are not listed.
t)	Credit rating	Details of credit rating are provided in the Board's report.

8. Other Disclosures

Vigil Mechanism/Whistle Blower Policy

Details of Vigil Mechanism/Whistle Blower Policy is provided in the Board's report.

Related Party Transactions

The Company had made relevant disclosures on related party, as required under regulation 53(f) read with Schedule V of the Listing Regulations in the financial statements of the Company for the year ended March 31, 2024 which forms part of the Annual Report. The Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is displayed on the Company's website at https://www.avanse.com/investors.

Your Company had not entered into any materially significant related party transaction during the year under review.

Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The details are included in the Board's Report forming part of the Annual Report.

Compliance of mandatory and adoption of Discretionary requirements

The Company complied with all the mandatory requirements of the SEBI Listing Regulations as applicable to a High Value Debt Listed Entity. The Company complied with the following discretionary requirements, as specified under Part E of Schedule II to Regulation 27(1) of the SEBI Listing Regulations:

i. The Non-Executive Director is the Chairman of the Company.
ii. Financial statements for the year ended on March 31, 2024 were unmodified.
iii. The Company has separated the post of Chairperson and that of the Managing Director & CEO.
iv. The Internal Auditor functionally reports to the Audit Committee.

Details of utilisation of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A)

Not applicable.

Certificate from a Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

The Certificate is attached to this report.

Total fees for all services paid by the Company, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

₹100.26 lakhs

Disclosure in relation to the sexual harassment of women at workplace (Prevention, Prohibition and redressal) Act, 2013 for the financial year 2023-24

Number of complaints filed during the financial year	Number of complaints disposed off during the financial year	Number of Complaints pending as on end of the financial year
Nil	Nil	Nil

Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Not applicable

Details of material subsidiary

The Company does not have any material subsidiary.

9. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

"I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of conduct for the Board of Directors and the Senior Management Personnel of the Company in respect of the financial year 2023-24."

Mr. Amit Gainda
Managing Director & CEO

10. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors' report.

A Compliance Certificate the Company is in compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations forms part of this Report.

11. Details of Debenture Trustee of the Company

Contact Person : Mr. Umesh Salvi
Name : Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited)
Address : Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098
Contact Number : +91 22 4922 0555
Email Address : complianceCTL-Mumbai@ctltrustee.com
Website : www.catalysttrustee.com

To
The Members,
AVANSE FINANCIAL SERVICES LIMITED

We have examined the compliance of Corporate Governance by Avanse Financial Services Limited ("the Company") for the financial year ended on March 31, 2024 as stipulated in Regulations 15 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") applicable on 'comply or explain' basis to the Company, being a high value debt listed entity.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sachin Manseta & Associates

Sachin Manseta
Proprietor
Membership No. - 8279

Date: April 6, 2024
UDIN: F008279F000048561
PLACE: MUMBAI

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to SEBI Operational Circular dated July 29, 2022 read with Para C clause (10)(i) of Schedule V the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
AVANSE FINANCIAL SERVICES LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Avanse Financial Services Limited, having CIN U67120MH1992PLC068060 and having registered office at (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with SEBI Operational Circular dated July 29, 2022 as amended from time to time read with Para-C Clause 10(i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2024 or a part thereof of their appointment, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or the Reserve Bank of India or by the Insurance Regulatory and Development Authority or any such other Statutory Authority:

Sr. No.	Name of the Director as on March 31, 2024	DIN	Date of appointment
1	Mr. Amit Gainda	09494847	02/03/2022
2	Mr. Neeraj Swaroop	00061170	30/07/2019
3	Mr. Ravi Venkatraman	00307328	05/07/2021
4	Mrs. Vijayalakshmi Rajaram Iyer	05242960	30/07/2019
5	Mrs. Savita Mahajan	06492679	01/12/2018
6	Mr. Narendra Ostawal	06530414	30/07/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sachin Manseta & Associates

Sachin Manseta
Proprietor
Membership No. - 8279

Date: April 6, 2024
UDIN: F008279F000048572
PLACE: MUMBAI

COLUMBIA

A gigantic sphere that was centrally located on the Columbia University campus suddenly and mysteriously went missing

One day in 1946, when a gigantic sphere that was centrally located on campus suddenly and mysteriously went missing, many thought it had been destroyed. However, almost 60 years later, in 2001, the spherical sundial mysteriously reappeared over 800 miles west of New York, in a field near Ann Arbor, Michigan.

CHICAGO

Every year since 1987, the University of Chicago has held the largest scavenger hunt in the world

Every year, this four-day scavenger quest takes place. A 2,000-mile (3,200-kilometre) road trip, competitions, cryptograms, and a three-course feast are all included.

STANFORD

Stanford University students have won medals in every Olympic Games since 1908

Stanford captured 244 Olympic medals total, 129 of them gold medals. It is one of the most research-oriented universities in the world.

DID YOU KNOW?

Independent Auditor's Report

To the Members of Avanse Financial Services Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Avanse Financial Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement, and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including 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 the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, including other comprehensive losses, 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 (SA), 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 the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India, together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
1. Classification and impairment (expected credit loss) of loans (refer note 7 and 40.4 to the standalone financial statements)	
Indian Accounting Standard (IND AS) 109 'Financial Instruments', requires the Company to classify its loan portfolio into various stages based on changes in credit quality since initial recognition and provide for impairment using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their lives, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. In the process, a significant degree of judgement and estimate have been applied by the management for: • Staging of loans, i.e., classification in 'significant increase in credit risk' ("SICR") and 'default' categories based on past due status or qualitative assessment. • Grouping of the borrowers based on homogeneity for estimating probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") on a collective basis. • Determining macro-economic and other factors impacting the credit quality of loans. In view of the high degree of management's judgement involved in the staging and estimation of ECL and the overall significance of the impairment loss allowance to the standalone financial statements, it is considered as a key audit matter.	Our audit procedures included the following: • Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with IND AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation, and computation. • Assessed the criteria for staging of loans based on their past-due status as per the requirements of IND AS 109. Tested samples of performing loans to assess whether any SICR or loss indicators were present, requiring them to be classified under higher stages. • Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD, considering various forward-looking micro, and macro-economic factors. • Tested the inputs used on a sample basis and tested the arithmetical accuracy of the ECL computation. • Tested assumptions used by the management in determining the overlay for macro-economic and other factors. • Assessed disclosures included in the standalone financial statements in respect of expected credit losses.
2. Information technology (IT) systems and controls	
The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over programme development and changes, access to programmes and data, and IT operations, are required to be designed and operate effectively to ensure accurate financial reporting. Further, the extant regulations require the Company to maintain a daily back-up of its books of account and to use accounting software which has an audit trail (edit log) feature. Any gaps in the IT control environment could result in a material misstatement of the financial accounting/ reporting records or non-compliance with regulatory requirements. Therefore, due to the pervasive nature and complexity of the IT environment and enhanced reporting requirements, the assessment of relevant system configurations, IT general controls, and the application controls specific to	We performed the following procedures, assisted by specialised IT auditors, on the IT infrastructure and applications relevant to financial reporting: • The aspects covered in the assessment of IT general controls comprised: (i) User Access Management; (ii) programme Change Management; (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls in respect of information systems that are important to financial reporting ("in-scope applications"). • Tested the changes that were made to the in-scope applications during the audit period to assess changes that have an impact on financial reporting. • Tested the periodic review of access rights, inspected requests of changes to systems for appropriate approval and authorisation. • Tested the configuration of the audit trail feature in the accounting software and the maintenance of back-up as per extant regulatory requirements.

to accounting and preparation of financial information is considered a key audit matter.	• Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT-dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Directors 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 other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have 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.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (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 judgements 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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 with reference to financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

(c) The Balance Sheet, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement, and 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2024, has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer note 30 to the standalone financial statements;

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, as disclosed in note 41.18(XIII)(d) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium, or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 41.18(XIII)(e) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such 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 (a) and (b) contain any material misstatement.

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

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software except that in respect of certain software, the audit trail feature either did not operate throughout the period, or was not enabled for direct changes to database when using certain access rights as described in note 42 to the standalone financial statements. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with except that, in respect of certain software, we were not able to obtain sufficient and appropriate audit evidence to determine whether there were any instances of the audit trail feature being tampered with, as described in the aforesaid note to the standalone financial statements.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 24102102BKBZYI4737
Mumbai
April 30, 2024

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Avanse Financial Services Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment (including right of use assets) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988, and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 41.18(XIII)(h) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹5 crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) Since, the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans to companies or any other parties are not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing education loans to individual customers and education infrastructure loans to institutions, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid/paid when they were due or were repaid/paid with a delay, in the normal course of lending business.
Further, except for 1,851 loans classified as credit impaired ('stage 3') with aggregate exposure of principal and interest of ₹53.23 crores, 2,645 loans where credit risk has increased significantly since initial recognition ('stage 2') with aggregate exposure of principal and interest of ₹120.02 crores and 1,495 loans where the credit risk has not increased significantly since initial recognition but have some overdue of up to 30 days ('stage 1') with aggregate exposure of principal and interest of ₹16.01 crores as at March 31, 2024, in respect of which the Company has disclosed asset classification/staging in note 7 to the standalone financial statements in accordance with Indian Accounting Standards (IND AS) and the guidelines issued by the Reserve Bank of India, the parties in respect of 68,006 loans with aggregate exposure of principal and interest of ₹12,305.24 crores are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, as disclosed in note 7 to the standalone financial statements, the total amount outstanding of loans classified as credit impaired ('stage 3') (which includes loans overdue for more than ninety days) as at March 31, 2024, is ₹53.23 crores (1,851 loans). In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) Since, the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which the provisions of Sections 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (₹ in crores)	Amount paid* (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	7.34	7.34	FY 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.01	1.01	FY 2020-21	Commissioner of Income Tax (Appeals)

*paid under protest

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of Sections 42 and 62 of the Act in respect of the preferential allotment or private placement of shares/fully or partially or optionally convertible debentures respectively during the year. The funds raised have been used for the purposes for which they were raised.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of Section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

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

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 and 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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second provision to sub-section 5 of Section 135 of the Act. This matter has been disclosed in note 35 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of Section 135 of the Act. This matter has been disclosed in note 35 to the standalone financial statements.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 24102102BKBZYI4737
Mumbai
April 30, 2024

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to the standalone financial statements of Avanse Financial Services Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained, and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls with reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 24102102BKBZYI4737
Mumbai
April 30, 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
I	**Financial Assets**			
(a)	Cash and cash equivalents	4	1,27,579.33	78,706.59
(b)	Bank balances other than (a) above	5	22,960.74	34,281.88
(c)	Derivative financial instruments	40.4	33.21	1,472.06
(d)	Trade receivables	6	919.38	832.98
(e)	Loans	7	12,39,664.91	8,37,122.42
(f)	Investments	8	26,988.35	6,442.69
(g)	Other financial assets	9	1,560.55	5,976.52
			14,19,706.47	**9,64,835.14**
II	**Non-Financial Assets**			
(a)	Current tax assets (net)	10A	1,873.87	1,952.84
(b)	Deferred tax assets (net)	10B	936.01	2,250.23
(c)	Property, plant and equipment	11	2,330.10	1,308.99
(d)	Capital work-in-progress	11	886.70	-
(e)	Right of use assets	11	4,401.59	348.58
(f)	Intangible assets under development	11	1,128.94	464.12
(g)	Other intangible assets	11	1,138.70	634.48
(h)	Other non-financial assets	12	1,964.85	1,203.11
			14,660.76	**8,162.35**
	Total Assets		**14,34,367.23**	**9,72,997.49**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial Liabilities**			
(a)	Derivative financial instruments	40.4	1,163.90	-
(b)	Trade payables	13		
	- total outstanding dues of micro and small enterprises		8.50	77.71
	- total outstanding dues of creditors other than micro and small enterprises		7,502.17	5,396.02
(c)	Debt securities	14	3,05,343.64	2,82,387.50
(d)	Borrowings (other than debt securities)	15	7,03,133.72	4,30,917.78
(e)	Subordinated liabilities	16	5,047.52	7,707.35
(f)	Other financial liabilities	17	42,501.75	30,538.23
			10,64,701.20	**7,57,024.59**
II	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)		-	-
(b)	Provisions	18	302.47	136.69
(c)	Other non-financial liabilities	19	1,708.16	861.65
			2,010.63	**998.34**
III	**EQUITY**			
(a)	Equity share capital	20	12,591.16	10,663.80
(b)	Other equity	21	3,55,064.24	2,04,310.76
	Total equity		**3,67,655.40**	**2,14,974.56**
	Total Liabilities and Equity		**14,34,367.23**	**9,72,997.49**

The accompanying notes form an integral part of the Standalone Financial Statements	1 to 44		

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

For Avanse Financial Services Limited

Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: April 30, 2024

Neeraj Swaroop
Director
DIN - 00061170
Place: Mumbai
Date: April 30, 2024

Amit Gainda
Managing Director &
Chief Executive Officer
DIN - 09494847
Place: Mumbai
Date: April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place: Mumbai
Date: April 30, 2024

Rajesh Gandhi
Company Secretary
Place: Mumbai
Date: April 30, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations			
(a)	Interest income	22	1,44,293.04	89,308.08
(b)	Fees and commission income	23	18,429.66	6,693.74
(c)	Net gain on fair value changes	24	1,324.94	660.32
(d)	Net gain on derecognition of financial instrument on amortised cost basis		8,568.63	2,297.41
	Total revenue from operations		**1,72,616.27**	**98,959.55**
(e)	Other income		210.34	63.21
	Total income		**1,72,826.61**	**99,022.76**
II	**Expenses**			
(a)	Finance costs	25	87,563.79	53,984.27
(b)	Impairment on financial instruments	26	7,959.22	4,658.91
(c)	Employee benefits expense	27	14,046.71	9,482.16
(d)	Depreciation and amortisation expense	11	2,048.18	1,330.08
(e)	Other expenses	28	15,246.20	8,433.49
	Total expenses		**1,26,864.10**	**77,888.91**
III	**Profit before tax**		**45,962.51**	**21,133.85**
IV	**Tax expense**			
(a)	Current tax	10B	9,973.66	5,727.94
(b)	Deferred tax	10B	1,731.88	(367.53)
	Total tax expense		**11,705.54**	**5,360.41**
V	**Net profit for the year**		**34,256.97**	**15,773.44**
VI	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains/(losses) on post retirement benefit plans		(18.02)	23.77
	(ii) Income tax on above		4.54	(5.98)
	Subtotal (A)		**(13.48)**	**17.79**
	(B) Items that will be reclassified to profit or loss			
	(i) Fair value (loss)/gain on derivative financial instrument		(1,326.23)	284.12
	(ii) Income tax on above		333.78	(71.51)
	Subtotal (B)		**(992.45)**	**212.61**
	Total other comprehensive income (A+B)		**(1,005.93)**	**230.40**
VII	**Total comprehensive income**		**33,251.04**	**16,003.84**
VIII	**Earnings per equity share**	29		
	(Face value of ₹ 5/- each)			
	Basic (₹)		15.41	9.03
	Diluted (₹)		15.05	8.85

The accompanying notes form an integral part of the Standalone Financial Statements	1 to 44		

In terms of our report attached
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For Avanse Financial Services Limited

Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: April 30, 2024

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Date: April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place: Mumbai
Date: April 30, 2024

Rajesh Gandhi
Company Secretary
Place: Mumbai
Date: April 30, 2024

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash flow from operating activities**		
	Profit before tax	45,962.51	21,133.86
	Adjustment for:		
	Interest income on loans	(1,38,642.99)	(86,417.47)
	Depreciation and amortisation expenses	2,048.18	1,330.08
	Net gain on fair value changes	(1,324.94)	(660.32)
	Interest expense on borrowings	86,953.08	48,264.70
	Interest on fixed deposits	(4,429.85)	(3,536.04)
	Interest Income from Treasury bills	(1,220.20)	(223.61)
	Impairment of financial instruments	3,321.10	1,838.08
	Bad debts written off	4,638.11	2,820.83
	Employee share based payment expenses	747.90	490.24
	Finance cost in lease liability	80.88	57.20
	(Profit)/Loss on sale of property, plant and equipments	(0.17)	(10.41)
	Cash used in operation before working capital changes	**(1,866.39)**	**(14,912.86)**
	Operational cash flows from interest		
	Interest received on loans	56,991.08	53,411.79
	Interest paid on borrowings	(80,244.17)	(41,846.94)
	Working capital changes		
	Adjustment for:		
	(Increase)/Decrease in loans	(3,28,849.79)	(3,37,401.50)
	(Increase)/Decrease in other non-financial assets	(761.74)	291.84
	Decrease/(Increase) in financial assets	4,415.97	(5,637.08)
	(Increase)/Decrease in trade receivables	(86.40)	(563.79)
	Increase/(Decrease) in financial liabilities	7,748.57	(17,526.31)
	Increase/(Decrease) in trade payables	2,036.94	2,057.17
	Increase/(Decrease) in non financial liabilities	846.51	301.40
	Increase/(Decrease) in Provisions	147.76	85.84
	Cash (used in) operations	**(3,39,621.66)**	**(3,61,740.44)**
	Direct taxes paid (net)	(9,815.36)	(7,642.33)
	Net cash (used in) operating activities	**(3,49,437.02)**	**(3,69,382.77)**
B	**Cash flow from investing activities**		
	Investments in mutual fund units at FVTPL	(9,57,952.10)	(4,13,485.53)
	Sale of mutual fund units at FVTPL	9,59,277.05	4,14,145.85
	Investments in Treasury Bills at amortised cost	(1,42,152.66)	(13,744.57)
	Redemption of Treasury Bills	1,25,500.00	8,800.00
	Investments in Subsidiary	(2,672.79)	(1.00)
	Interest received on fixed deposits	4,438.24	3,536.04
	Purchase of property, plant & equipment and intangible assets	(4,591.58)	(1,976.81)
	Sale of property, plant & equipment	5.72	73.55
	Fixed deposit not considered as cash and cash equivalents (net)	11,312.75	(31,587.30)
	Net cash (used in)/generated from investment activities	**(6,835.37)**	**(34,239.77)**

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share (including securities premium) (Net)	1,18,917.78	97,514.05
	Debt securities & subordinated liabilities issued	1,18,000.00	2,27,600.00
	Debt securities & subordinated liabilities repaid	(1,07,000.00)	(65,500.00)
	Borrowings (other than debt securities) taken	4,18,498.79	2,16,903.89
	Borrowings (other than debt securities) repaid	(1,44,282.88)	(54,881.13)
	Proceeds from short-term borrowings (net)	1,628.72	(2,000.00)
	Payment towards lease liability	(617.27)	(356.27)
	Net cash generated from financing activities	**4,05,145.14**	**4,19,280.54**
	Net Increase in Cash and cash equivalents	48,872.74	15,658.01
	Cash and cash equivalents at the beginning of the year	78,706.59	63,048.58
	Cash and cash equivalents at the end of the year	**1,27,579.33**	**78,706.59**
	Cash and cash equivalents at the end of the year comprises of		
	Cash in hand	2.38	1.01
	Balance with banks		
	- In Current Accounts	34,060.10	12,387.80
	- In fixed deposit with original maturity of less than 3 months	93,511.61	66,317.78
	Cheques on hand	5.23	-
	Total	**1,27,579.33**	**78,706.59**

Notes:

1. Receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
2. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. For disclosure relating to changes in liabilities arising from financing activities refer note 33

The accompanying notes form an integral part of the Standalone Financial Statements	1 to 44		

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: April 30, 2024

For Avanse Financial Services Limited

Neeraj Swaroop
Director
DIN - 00061170
Place: Mumbai
Date: April 30, 2024

Amit Gainda
Managing Director &
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DIN - 09494847
Place: Mumbai
Date: April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place: Mumbai
Date: April 30, 2024

Rajesh Gandhi
Company Secretary
Place: Mumbai
Date: April 30, 2024

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period error	Restated balance at the beginning of the current year	Changes in equity share capital during the year*	Balance as at March 31, 2023
Equity Share Capital	8,259.19	-	-	2,404.61	10,663.80

(₹ in Lakhs)

Particulars	Balance as at April 1, 2023	Changes in equity share capital due to prior period error	Restated balance at the beginning of the current year	Changes in equity share capital during the year*	Balance as at March 31, 2024
Equity Share Capital	10,663.80	-	-	1,927.36	12,591.16

*refer note no. 20

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	General Reserve	Stock Options Reserve	Statutory Reserve	Cash Flow Hedge Reserve	
Balance as at April 1, 2022	**75,923.27**	**12,537.90**	**0.14**	**854.19**	**3,368.46**	**23.27**	**92,707.23**
Profit/(loss) for the year	-	15,773.44	-	-	-	-	15,773.44
Other Comprehensive Income/(loss)	-	17.79	-	-	-	212.61	230.40
Total Comprehensive Income for the year	-	**15,791.24**	-	-	-	**212.61**	**16,003.84**
Transfers to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	(3,154.69)	-	-	3,154.69	-	-
Charge/Transfer for the year in respect of Stock Options	-	-	38.66	451.58	-	-	490.24
Securities premium on shares alloted during the year	58,765.39	-	-	-	-	-	58,765.39
Share issuance expenses	(1,483.01)	-	-	-	-	-	(1,483.01)
Securities premium on conversion of compulsary convertible preference shares to equity	37,827.06	-	-	-	-	-	37,827.06
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	-	-	-
Balance as at March 31, 2023	**1,71,032.71**	**25,174.45**	**38.80**	**1,305.77**	**6,523.15**	**235.88**	**2,04,310.76**

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2024

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium	Retained Earnings	General Reserve	Stock Options Reserve	Statutory Reserve	Cash Flow Hedge Reserve	
Balance as at April 1, 2023	**1,71,032.71**	**25,174.45**	**38.80**	**1,305.77**	**6,523.15**	**235.88**	**2,04,310.76**
Profit/(loss) for the year	-	34,256.97	-	-	-	-	34,256.97
Other Comprehensive Income/(loss)	-	(13.48)	-	-	-	(992.45)	(1,005.93)
Total Comprehensive Income for the year	-	**34,243.49**	-	-	-	**(992.45)**	**33,251.04**
Transfers to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	(6,851.39)	-	-	6,851.39	-	-
Charge/Transfer for the year in respect of Stock Options	-	-	-	747.90	-	-	747.90
Securities premium on shares alloted during the year	1,18,810.79	-	-	-	-	-	1,18,810.79
Share issuance expenses	(1,820.37)	-	-	-	-	-	(1,820.37)
Securities premium on conversion of compulsary convertible preference shares to equity	-	-	-	-	-	-	-
Effective portion of cash flow hedge reserve reclassified to profit and loss	-	-	-	-	-	(235.88)	(235.88)
Transfer on allotment of shares to employees pursuant to ESOP scheme	140.80	-	8.65	(149.45)	-	-	-
Balance as at March 31, 2024	**2,88,163.93**	**52,566.55**	**47.45**	**1,904.22**	**13,374.54**	**(992.45)**	**3,55,064.24**

The accompanying notes form an integral part of the Standalone Financial Statements — 1 to 44

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

For Avanse Financial Services Limited

Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: April 30, 2024

Neeraj Swaroop
Director
DIN - 00061170
Place: Mumbai
Date: April 30, 2024

Amit Gainda
Managing Director & Chief Executive Officer
DIN - 09494847
Place: Mumbai
Date: April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place: Mumbai
Date: April 30, 2024

Rajesh Gandhi
Company Secretary
Place: Mumbai
Date: April 30, 2024

1. Corporate Information

Avanse Financial Services Limited (the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a non-banking financial company registered with the Reserve Bank of India ('RBI') and is primarily engaged in the business of financing education loans to students and education infrastructure loans to institutions. The Company is registered with Ministry of Corporate Affairs (Corporate Identity Number (CIN) U67120MH1992PLC068060). The non-convertible debentures of the Company are listed on BSE Limited.

The details of registration with RBI are as follows:
Registration number: B-13.01704
Category: Systematically Important Non-deposit taking Non-Banking Financial Company (NBFC NDSI)
Classification: Investment and Credit Company (ICC)
Layer: Middle Layer (NBFC-ML)

The registered office of the Company has changed with effect from April 15, 2024 to E-Wing, 4th Floor, Times Square, Andheri - Kurla Rd, Gamdevi, Marol, Andheri East, Mumbai, Maharashtra 400059. Till April 14, 2024 the registered office of the Company was 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai – 400 099.

Financial statements have been reviewed by the Audit Committee and approved by the Board of Directors on April 30, 2024. Further, the Board of Directors recommended these financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Material Accounting Policies

2.1 Basis of Accounting and Preparation of Financial Statements

Presentation of Financial Statements

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') 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 March 13, 2020 ('RBI Notification for implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting. The Company prepares and presents its Balance Sheet, Statement of profit and loss and the Changes in Equity in the format prescribed by Division III of schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Valuation Governance Framework

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value in use in Ind AS 36.

Valuation Principles

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

Maintenance of Books of Accounts

The Company has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Company's books of account and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

With respect to maintenance of audit trail in respect of accounting software used by the Company pursuant to the requirements of the Companies (Accounts) Rules, 2014, refer note 42.

2.2 (a) Property, Plant and Equipment and Intangible Assets

i. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE if it meets the cost criteria which is directly attributable to the the asset aquired.

Depreciation/amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under. Leasehold improvement is depreciated on SLM over the lease term subject to a maximum of 60 months.

Category of Assets	Useful Life
Furniture & Fixtures	6 years
Computer Hardware	3 years
Vehicle	4 years
Office Equipment	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

ii. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.2 (b) Impairment on Non-financial Assets

As at the end of each year, the Company reviews the carrying amount of its non financial assets to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.3 Revenue Recognition

a. Interest Income

The Company recognises interest income using effective interest rate method (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation basis.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

b. Fees and Commission Income

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from Contract with Customer

Revenue is measured at transaction price i.e. the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The company considers the terms of the contracts and its customary business practices to determine the transaction price. Where the consideration promised is variable, the company excludes the estimates of variable consideration that are constrained. The company applies the five-step approach for recognition of revenue:

i. Identification of contract(s) with customers;
ii. Identification of the separate performance obligations in the contract;
iii. Determination of transaction price;
iv. Allocation of transaction price to the separate performance obligations; and
v. Recognition of revenue when (or as) each performance obligation is satisfied.

Fee and commission income include fees other than those that are an integral part of EIR. The fee & commission included in this part of the statement of profit and loss include among other things fees charged for servicing a loan, commission on forex and insurance commission.

Fee and Commission Income are recognised after the performance obligation in the contract is fulfilled and commission income such as insurance commission and fee income, etc. are recognised on point in time or over the period basis, as applicable.

c. Investment Income

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

d. Income from Direct Assignment

Gains arising out of direct assignment transactions comprise of the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS is based on the scheduled behavioral cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee and recorded upfront (net off of servicing cost) in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

2.4 Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a Lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–
a) the use of an identified asset,
b) the right to obtain substantially all the economic benefits from use of the identified asset, and
c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of profit and loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.5 Borrowing Costs

Interest expenses is calculated using effective interest rate ('EIR') and calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability. EIR is calculated by considering all costs attributable to acquisition of a financial liability and it represents a rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

All other borrowing costs which are not incremental and not directly attributable to the issue of a financial liability are recognised in the Statement of profit and loss in the period in which they are incurred.

2.6 Employee Benefits

Share-based Payment Arrangements

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Company’s Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit and Loss of the year when employees have rendered service entitling them to the contributions. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

The Company’s contribution paid/payable during the year to National Pension Scheme is recognised in the Statement of profit and loss.

Defined Benefit Obligation

The Company's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. 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.

2.7 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income ('OCI') or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity respectively.

Current Tax

The tax currently payable is based on the taxable profit for the year of the Company. 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. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Goods and Service Tax Input Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when:

i. an entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. a present obligation arising from past events, when no reliable estimate is possible.

2.10 Commitments

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

i. estimated amount of contracts remaining to be executed on capital account and not provided for;

ii. uncalled liability on shares and other investments partly paid and

iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.11 Cash and Cash Equivalents

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the balance sheet.

2.12 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognised when the Company becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

The financial assets and financial liabilities are initially measured at fair value, except for trade receivables. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Cash Flow Hedge

The Company designates certain foreign exchange currency swap contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on external commercial borrowings. When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, it is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period of the hedge was effective, remains in cash flow hedge reserve until the ECB is derecognised. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the derecognition of the hedged item.

2.13 Financial Assets

Subsequent Measurement of Financial Assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Classification of Financial Assets

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- All other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- The Company may irrevocably designate a debt instrument that meets the amortised cost or FVOCI criteria, as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Debt Instruments at Amortised Cost or at FVOCI

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

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that are meeting 'solely payments of principal and interest' ('SPPI') test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

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. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.

When a debt instrument measured at FVOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVOCI are subject to impairment.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

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 result in reclassifying the Company's financial assets.

During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition. The Company has transferred the financial asset if, and only if, either: - It has transferred its contractual rights to receive cash flows from the financial asset Or - It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

1. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

2.The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

3. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either: - The Company has transferred substantially all the risks and rewards of the asset or The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which 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. On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

Impairment of Financial Assets

Overview of the Expected Credit Loss (ECL) principle

The Company records allowance for ECL for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts (in this section all referred to as ‘financial instruments’). Equity instruments are not subject to impairment under Ind AS 109.

ECL are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original EIR (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. 12-month ECL are portion of the life-time ECL and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset’s gross carrying value.

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 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 - Assets upto 30 days of principal/interest overdue.
- Stage 2 - (a) Assets with principal/interest past due between 30 to 90 days (b) where the contractual terms of the loans were renegotiated/modified as per the RBI circular on resolution framework for Covid-19 related stress dated August 6, 2020 and May 5, 2021 and which are not classified as Stage 3 (c) Loans where credit risk has increased significantly basis qualitative assessment of the borrower.
- Stage 3 - Non-performing assets (credit impaired assets) with principal/interest past due more than 90 days and cases where frauds have been identified. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 and loans under short term financing, the Company always measures the loss allowance at an amount equal to lifetime ECL. Further, for the purpose of measuring lifetime ECL allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109.

This ECL allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Significant Increase in Credit Risk

Accounts which are in 31 - 90 days overdue bucket will be considered as accounts where there has been a significant increase in credit risk (SICR) since initial recognition but are not credit-impaired.

This definition of Staging is subject to SICR criteria developed, in which case the accounts which meet the SICR criteria will be classified as Stage II even though they have not breached the backstop indicator conditions (i.e. 0-30 overdue).

A. Restructured Asset (COVID-19 Restructuring): The Company has reclassified covid restructured loans under OTR 1.0 and 2.0 by downgrading loans in 0-30 days overdue to "Stage II", as a conservative approach for ECL provisioning. Loans which are already in Stage II shall not be further reclassified.

B. Restructured Asset other than COVID-19 Restructuring: If any case is classified as restructured other than covid restructuring, then the account will be downgraded to "sub-standard" .i.e. Stage III.

Derecognition of Financial Assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assume a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

2.14 Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of our equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Transaction costs incurred in relation to an equity transaction are deducted from equity, net of associated income tax, if any.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost.

Financial Liabilities Subsequently Measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the EIR method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of 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.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainties

3.1 Prepration of Financial Statements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 2.14 and 9]
- Fair value of financial instruments (Refer note no. 3.15, 46)
- Impairment of financial assets [Refer note no. 3.4(i), 9 and 47]
- Provisions and contingent liabilities (Refer note no. 3.10 and 41)
- Provision for tax expenses (Refer note no. 3.6)

3.2 Accounting Standards (Amendment to Ind AS)

The Ministry of Corporate Affairs has notifed the Companies (Indian Accounting Standards) Amendment Rule, 2023 dated March 21, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The company applied for these first time amendments.

3.2.1 Definition of Accounting Estimates - Amendment to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

3.2.2 Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendment aims to replace the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and guidance on how entities apply the concept of materiality.

The Companies have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

3.2.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendment to Ind AS 12

The amendment narrows the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a seperate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets. Since these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There is also no impact on the opening retained earnings as at April 1, 2022

There are no standards that are notified and not yet effective as on the date.

4. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	2.38	1.01
Balances with banks:		
- In Current Accounts	34,060.10	12,387.80
- In Fixed Deposit (with original maturity of 3 months or less)	93,511.61	66,317.78
Cheques on hand	5.24	-
Total	**1,27,579.33**	**78,706.59**

5. Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2024
Fixed deposits (with original maturity more than 3 months)		
Encumbered (refer note 5.1)	2,630.76	3,278.83
Unencumbered	20,329.98	31,003.05
Total	**22,960.74**	**34,281.88**

5.1 Encumbrances on Fixed Deposits held by the Company

Particulars	As at March 31, 2024	As at March 31, 2024
Fixed Deposits pledged for:		
Availing credit enhancement towards securitisation transactions		
DCB Bank	951.39	1,672.86
ICICI Bank	1,678.24	1,604.92
Bank Overdrafts		
Bank of Baroda	1.13	1.05
Total	**2,630.76**	**3,278.83**

6. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2024
Trade Receivables - Unsecured; Considered Good	919.38	832.98
Trade Receivables - Unsecured; Which has significant increase in credit risk	47.71	47.71
Total	**967.09**	**880.69**
Impairment Loss Allowance	47.71	47.71
Net receivables	**919.38**	**832.98**

No trade or other receivable is due from directors or other officer of the Company either severally or jointly with any other person. Nor any trade or other receivable is due from firm or private companies respectively in which any director is a partner or director or a member. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Particulars			Outstanding for following periods from due date of payment					
As at March 31, 2024	Unbilled due	Not due	Less than 6 months	6 months–1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	583.75	319.37	16.06	**0.20**	**-**	**-**	**-**	**919.38**
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	**-**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	47.71	**47.71**
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-	**-**
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-	**-**
Total	**583.75**	**319.37**	**16.06**	**0.20**	**-**	**-**	**47.71**	**967.09**

Particulars			Outstanding for following periods from due date of payment					
As at March 31, 2023	Unbilled due	Not due	Less than 6 months	6 months–1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	288.99	534.12	9.67	**-**	0.18	**0.02**	**-**	832.98
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	9.38	38.33	47.71
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-	-
Total	**288.99**	**534.12**	**9.67**	**-**	**0.18**	**9.40**	**38.33**	**880.69**

7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Term loans	12,52,068.29	8,46,363.72
Total – Gross (A)	**12,52,068.29**	**8,46,363.72**
Less: Impairment loss allowance (refer note 26)	12,403.38	9,241.30
Total – Net (A)	**12,39,664.91**	**8,37,122.42**
(a) Secured by tangible assets	2,43,935.11	1,82,148.83
(b) Secured by accounts receivables, fixed deposits, Insurance policy, government guarantee etc.*	78,670.70	51,428.49
(c) Unsecured	9,29,462.48	6,12,786.40
Total – Gross (B)	**12,52,068.29**	**8,46,363.72**
Less: Impairment loss allowance	12,403.38	9,241.30
Total – Net (B)	**12,39,664.91**	**8,37,122.42**
(I) Loans in India		
Public Sector	-	-
Others	12,52,068.29	8,46,363.72
Total - Gross (C)	**12,52,068.29**	**8,46,363.72**
Less: Impairment loss allowance	12,403.38	9,241.30
Total - Net (C)	**12,39,664.91**	**8,37,122.42**
(II) Loans outside India	**-**	**-**
Total (C)	**12,39,664.91**	**8,37,122.42**

*Includes loans temporarily secured by lien over balance in bank accounts of the borrower until their stated utilisation. The total amount of such lien is ₹ 70,229.86 lakhs and ₹ 35,432.42 lakhs as at March 31, 2024 and March 31, 2023 respectively.

7.1 The business model of the company is to hold the assets for generating contractual cash flows on account of principal and interest and hence these are held at amortised cost. Sales, if any are insignificant and do not impact the business model.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification.

(₹ in Lakhs)

		As at March 31, 2024		
Category	**Assets category**	**Gross Carrying Amount**	**Expected Credit Loss**	**Net Carrying Amount**
Stage 1 – High quality assets	Loan	12,34,742.65	5,829.26	12,28,913.39
Stage 2 – Assets including restructured assets for which there is significant increase in credit risk	Loan	12,002.17	2,863.35	9,138.82
Stage 3 - Credit impaired assets	Loan	5,323.47	3,710.77	1,612.70
Total		**12,52,068.29**	**12,403.38**	**12,39,664.91**

(₹ in Lakhs)

		As at March 31, 2023		
Category	**Assets category**	**Gross Carrying Amount**	**Expected Credit Loss**	**Net Carrying Amount**
Stage 1 – High quality assets	Loan	8,21,617.88	1,845.43	8,19,772.45
Stage 2 – Assets including restructured assets for which there is significant increase in credit risk	Loan	20,024.63	4,123.08	15,901.55
Stage 3 - Credit impaired assets	Loan	4,721.21	3,272.79	1,448.42
Total		**8,46,363.72**	**9,241.30**	**8,37,122.42**

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

(₹ in Lakhs)

FY 2023-24	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	8,21,617.88	20,024.63	4,721.21	**8,46,363.72**
Transfer during the year				
Transfers to Stage 1	1,621.06	(1,463.96)	(157.10)	**-**
Transfers to Stage 2	(2,206.95)	2,441.25	(234.30)	**-**
Transfers to Stage 3	(2,820.02)	(2,774.84)	5,594.86	**-**
Credit exposure during the year, net of repayments	4,16,530.68	(6,224.91)	(712.99)	**4,09,592.78**
Amounts written off (net of recovery)	-	-	(3,888.21)	**(3,888.21)**
Gross carrying amount closing balance*	**12,34,742.65**	**12,002.17**	**5,323.47**	**12,52,068.29**

*No. of loan accounts with principal and/or interest overdue as at March 31, 2024 is 1,495 (Stage 1), 2,645 (Stage 2) and 1,851 (Stage 3)

(₹ in Lakhs)

FY 2022-23	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,52,814.27	19,997.72	6,189.88	**4,79,001.87**
Transfer during the year				
Transfers to Stage 1	1,006.77	(572.47)	(434.30)	**-**
Transfers to Stage 2	(2,876.97)	3,562.59	(685.62)	**-**
Transfers to Stage 3	(1,181.00)	(1,321.25)	2,502.25	**-**
Credit exposure during the year, net of repayments	3,72,854.81	(1,641.96)	(30.17)	**3,71,854.81**
Amounts written off (net of of recovery)	-	-	(2,820.83)	**(2,820.83)**
Gross carrying amount closing balance*	**8,21,617.88**	**20,024.63**	**4,721.21**	**8,46,363.72**

*No. of loan accounts with principal and/or interest overdue as at March 31, 2023 is 4,251 (Stage 1), 3,540 (Stage 2) and 1,952 (Stage 3)

(₹ in Lakhs)

FY 2023-24	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balances	1,845.43	4,123.08	3,272.79	**9,241.30**
Transfer during the year				
Transfers to Stage 1	23.55	(21.67)	(1.88)	**-**
Transfers to Stage 2	(747.79)	834.66	(86.87)	**-**
Transfers to Stage 3	(829.11)	(842.00)	1,671.11	**-**
Credit exposure during the year, net of repayments	5,537.18	(1,230.72)	2,743.83	**7,050.29**
Amounts written off (net of recovery)	-	-	(3,888.21)	**(3,888.21)**
ECL allowance - closing balance#	**5,829.26**	**2,863.35**	**3,710.77**	**12,403.38**

(₹ in Lakhs)

FY 2022-23	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balances	1,782.76	1,949.40	3,671.07	**7,403.23**
Transfer during the year				
Transfers to Stage 1	6.23	(4.53)	(1.70)	**-**
Transfers to Stage 2	(532.95)	660.06	(127.11)	**-**
Transfers to Stage 3	(642.80)	(859.77)	1,502.57	**-**
Credit exposure during the year, net of repayments	1,232.19	2,377.92	1,048.71	**4,658.82**
Amounts written off (net of of recovery)	-	-	(2,820.75)	**(2,820.75)**
ECL allowance - closing balance#	**1,845.43**	**4,123.08**	**3,272.79**	**9,241.30**

The ECL shown above is computed on EAD which comprises of the gross carrying amount adjusted for the following amounts:

Particulars	March 31, 2024	March 31, 2023
Undisbursed Loan	1,05,841.09	79,554.64

7.2 There are no loans which are granted 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 repayable on demand or without specifying any terms or period of repayment.

7.3 All the secured non-convertible debentures (NCD) of the Company including those issued during the year ended March 31, 2024, term loans from banks, financial institutions, external commercial borrowings, securitisation liabilities and cash credit/ bank overdraft from banks are fully secured by hypothecation of book debts, loan receivables and fixed deposits.

8. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At cost		
Equity investment in subsidiary (267,379,480 equity shares of face value of ₹ 10/- each)	2,673.79	1.00
At amortised cost	24,314.56	6,441.69
- Treasury Bills (refer note 8.1 below)	24,314.56	6,441.69
Total- Gross (A)	**26,988.35**	**6,442.69**
i) Investments in India	26,988.35	6,442.69
ii) Investments outside India	-	-
Total- Gross (B)	**26,988.35**	**6,442.69**
Less: Allowance for impairment loss (C)	-	-
Total Net D (A-C)	**26,988.35**	**6,442.69**

Note 8.1

(₹ in Lakhs)

Name of instrument	As at March 31, 2024		As at March 31, 2023	
	No of units	Amount	No of units	Amount
Treasury Bill				
182 DTB 04-04-2024 - 7.09%	10,00,000	999.25	-	-
182 DTB 04-04-2024 - 7.09%	20,00,000	1,998.50	-	-
182 DTB 04-04-2024 - 7.09%	20,00,000	1,998.50	-	-
91 DTB 18-04-2024 - 6.96%	25,00,000	2,492.03	-	-
182 DTB 25-04-2024 - 7.00%	15,00,000	1,493.24	-	-
182 DTB 09-05-2024 - 7.01%	25,00,000	2,482.26	-	-
182 DTB 16-05-2024 - 7.03%	25,00,000	2,478.95	-	-
91 DTB 16-05-2024 - 7.01%	25,00,000	2,478.98	-	-
182 DTB 30-05-2024 - 6.85%	25,00,000	2,472.78	-	-
182 DTB 06-06-2024 - 6.92%	25,00,000	2,469.27	-	-
182 DTB 13-06-2024 - 6.91%	25,00,000	2,466.08	-	-
364 DTB 12-09-2024 - 7.05%	5,00,000	484.72	-	-
182 DTB 28-07-2023 - 6.87%	-	-	5,00,000	**489.24**
91 DTB 28-04-2023 - 6.51%	-	-	10,00,000	**995.19**
91 DTB 28-04-2023 - 6.60%	-	-	20,00,000	**1,990.30**
91 DTB 04-05-2023 - 6.60%	-	-	10,00,000	**994.08**
182 DTB 15-06-2023 - 6.70%	-	-	20,00,000	**1,972.88**
Total (B)	**2,45,00,000.00**	**24,314.56**	**65,00,000**	**6,441.69**

9. Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	1,320.75	585.31
Other advances*	239.80	5,391.21
Total	**1,560.55**	**5,976.52**

*Includes ₹ 13.67 lakhs and ₹ 5,350.36 lakhs as at March 31, 2024 and as at March 31, 2023 respectively receivable from third parties upon cancellation of loans.

10A. Current Tax (Liability)/Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source (Net of provision for tax ₹ 21,623 lakhs (March 31, 2023: ₹ 11,649 lakhs))	1,873.87	1,952.84
Total	**1,873.87**	**1,952.84**

10B. Deferred Tax Assets (Net)

Particulars	April 1, 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	March 31, 2023	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	March 31, 2024
Tax effect of items constituting deferred tax assets:							
- Depreciation and amortisation	155.18	21.19	-	176.37	26.91	-	203.28
- Provision for gratuity and leave encashment	11.36	12.42	(5.98)	17.80	53.79	4.54	76.13
- Impairment of Financial instruments	1,551.65	523.97	-	2,075.62	907.48	-	2,983.10
- Measurement of Financial instruments at amortised cost	203.86	(144.08)	-	59.78	(59.78)	-	-
- Cash Flow Hedges Reserve	-	-	-	-	-	333.78	333.78
Deferred Tax Assets (A)	**1,922.05**	**413.50**	**(5.98)**	**2,329.57**	**928.40**	**338.32**	**3,596.29**
Tax effect of items constituting deferred liabilities:							
- Cash Flow Hedges Reserve	7.83	-	71.51	79.34	-	(79.34)	-
- Measurement of Financial instruments at amortised cost	-	-	-	-	2,660.28	-	2,660.28
Deferred Tax Liabilities (B)	**7.83**	**-**	**71.51**	**79.34**	**2,660.28**	**(79.34)**	**2,660.28**
Deferred tax assets/(liabilities) Net (A-B)	**1,914.22**	**413.50**	**(77.49)**	**2,250.23**	**(1,731.88)**	**417.66**	**936.01**

Income Tax recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Current Tax:		
In respect of current year	9,973.66	5,727.94
In respect of prior years	-	-
	9,973.66	5,727.94
b)Deferred Tax		
In respect of current year origination and reversal of temporary differences	1,731.88	(367.53)
In respect of prior years	-	-
	1,731.88	**(367.53)**
Total Income tax recognised in Statement of profit and loss	**11,705.54**	**5,360.41**

Income Tax recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax related to items recognised in Other Comprehensive Income during the year		
Remeasurement of defined employee benefits	4.54	(5.98)
Cash Flow hedge reserve	333.78	(71.51)
Total Income tax recognised in Other Comprehensive Incomet	**338.32**	**(77.49)**

Reconciliation of Estimated Income Tax Expense at Tax Rate to Income Tax Expense Reported in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	45,962.51	21,133.85
Applicable tax rate (%)	25.168%	25.168%
Expected income tax expense	11,567.85	5,318.97
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax on expenditure not considered for tax provision (net of allowance)	137.69	41.44
Income tax expense recognised in profit and loss	**11,705.54**	**5,360.41**
Effective tax rate	**25.47%**	**25.36%**

11 Property, Plant and Equipment

(₹ in Lakhs)

Description	Gross Block				Accumulated depreciation and impairment losses				Net Block
	As at 01.04.2023	Additions for the year	Deletions for the year	As at 31.03.2024	Up to 01.04.2023	Charge for the year	Deletions for the year	As at 31.03.2024	As at 31.03.2024
Property, Plant and Equipment									
Owned Assets:									
Freehold land #	12.45	-	-	12.45	-	-	-	-	12.45
Leasehold improvements	319.30	202.99	-	522.29	300.40	140.77	-	441.17	81.12
Computers	945.63	336.81	-	1,282.44	606.78	249.78	-	856.56	425.88
Office Equipment	547.51	67.77	-	615.28	323.22	108.34	-	431.56	183.72
Furniture and fixtures	106.62	5.33	-	111.95	69.49	17.30	-	86.79	25.16
Vehicle	841.03	1,321.92	7.53	2,155.42	163.66	391.65	1.65	553.66	1,601.76
Total	**2,772.54**	**1,934.82**	**7.53**	**4,699.83**	**1,463.55**	**907.83**	**1.65**	**2,369.74**	**2,330.10**
Leased Assets									
Right of use assets - Premises	1,526.07	4,592.34	-	6,118.41	1,177.49	539.32	-	1,716.82	4,401.59
Intangible Assets									
Computer Software	3,406.81	1,105.25	-	4,512.06	2,772.33	601.03	-	3,373.36	1,138.70

(₹ in Lakhs)

Description	Gross Block				Accumulated depreciation and impairment losses				Net Block
	As at 01.04.2022	Additions for the year	Deletions for the year	As at 31.03.2023	Up to 01.04.2022	Charge for the year	Deletions for the year	Up to 31.03.2023	As at 31.03.2023
Property, Plant and Equipment									
Owned Assets:									
Freehold land #	12.45	-	-	12.45	-	-	-	-	12.45
Leasehold improvements	295.88	23.42	-	319.30	285.07	15.33	-	300.40	18.90
Computers	620.79	324.84	-	945.63	418.23	188.55	-	606.78	338.85
Office Equipment	417.92	129.59	-	547.51	225.29	97.93	-	323.22	224.29
Furniture and fixtures	104.38	2.24	-	106.62	52.79	16.70	-	69.49	37.13
Vehicle	266.46	660.59	86.02	841.03	73.52	113.02	22.88	163.66	677.37
Total	**1,717.88**	**1,140.68**	**86.02**	**2,772.54**	**1,054.90**	**431.53**	**22.88**	**1,463.55**	**1,308.99**
Leased Assets									
Right of use assets - Premises	1,387.88	138.19	-	1,526.07	900.10	277.39	-	1,177.49	348.58
Intangible Assets									
Computer Software	2,926.83	479.98	-	3,406.81	2,151.17	621.16	-	2,772.33	634.48

#The Company had mortgaged one of its freehold land in Chennai on exclusive charge against specific secured NCDs.

Capital work in progress aging schedule

(₹ in Lakhs)

Intangible assets under development	Amount in Capital work in progress as at March 31, 2024				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	886.70	-	-	-	886.70
Projects temporarily suspended	-	-	-	-	-

There were no projects in capital work in progress for the period of FY 2022-23.

Intangible assets under development aging schedule

(₹ in Lakhs)

Intangible assets under development	Amount in Intangible assets under developmement as at March 31, 2024				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	1,120.22	8.72	-	-	1,128.94
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development	Amount in Intangible assets under developmement as at March 31, 2024				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Projects in progress	464.12	-	-	-	464.12
Projects temporarily suspended	-	-	-	-	-

Note:

1) The Company does not have any project temporary suspended and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence intangible asset under development completion schedule is not applicable.
2) There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.
3) The Company has not revalued its Property, Plant and Equipment (including Right–of–Use Assets and Intangible assets)

12. Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses	482.12	293.68
Balances with Government Authorities	538.12	482.02
Compensated absences Fund	-	65.97
Other Advances	944.61	361.44
Total	**1,964.85**	**1,203.11**

13. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	8.50	77.71
- Total outstanding dues of creditors other than micro and small enterprise	7,502.17	5,396.02
Total	**7,510.67**	**5,473.73**

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Disclosure pertaining to Micro and Small Enterprises as at March 31, 2024 are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8.50	77.71
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**8.50**	**77.71**

(₹ in Lakhs)

Particulars		Outstanding for following periods from due date of payment					
As at March 31, 2024	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	-	8.50	-	-	-	8.50
Total outstanding dues of creditors other than micro and small enterprises	7,242.69	6.18	252.13	1.17	-	-	7,502.17
Disputed dues of micro and small enterprise	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprise	-	-	-	-	-	-	-
Total	**7,242.69**	**6.18**	**260.63**	**1.17**	-	-	**7,510.67**

Particulars		Outstanding for following periods from due date of payment					
As at 31 March 2024	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	32.63	45.08	-	-	-	77.71
Total outstanding dues of creditors other than micro and small enterprises	4,785.58	206.20	403.09	1.14	-	-	5,396.01
Disputed dues of micro and small enterprise	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprise	-	-	-	-	-	-	-
Total	**4,785.58**	**238.83**	**448.17**	**1.14**	-	-	**5,473.72**

14. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Secured		
Non Convertible Debentures (refer note 14.1, 14.2 and 14.3)	3,05,343.64	2,82,387.50
Total	**3,05,343.64**	**2,82,387.50**
Debt Securities in India	3,05,343.64	2,82,387.50
Debt Securities outside India	-	-
Total	**3,05,343.64**	**2,82,387.50**

14.1 All the secured non-convertible debentures (NCD) of the Company including those issued during the year ended March 31, 2024 are fully secured by hypothecation of book debts/loan receivables. Additionally, the Company had mortgaged one of its freehold land in Chennai on pari passu charge against specific secured NCDs. The Company has, at all times, for the secured NCDs, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.

14.2 Details of Non-Convertible Debentures (NCD) (Secured) as at March 31, 2024

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD (Secured)				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
Redeemable at par and at maturity					
Up to 2 years	40,100.00	-	-	-	40,100.00
Over 2 to 3 years	70,000.00	67,500.00	65,500.00	-	2,03,000.00
Over 3 to 4 years	-	-	37,500.00	-	37,500.00
Over 4 years	-	4,000.00	-	2,500.00	6,500.00
Total at face value	**1,10,100.00**	**71,500.00**	**1,03,000.00**	**2,500.00**	**2,87,100.00**
Interest accrued but not due					19,671.12
Impact of EIR (including premium and discount on NCD)					(1,427.48)
Total amortised cost					**3,05,343.64**

-Interest rate ranges from 9.05% to 10.25% as at March 31, 2024

14.3 Details of Non-Convertible Debentures (NCD) (Secured) as at March 31, 2024

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD (Secured)				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
Redeemable at par and at maturity					
Up to 2 years	76,000	40,100	-	-	1,16,100.00
Over 2 to 3 years	10,000	70,000	60,000	-	1,40,000.00
Over 3 to 4 years	-	-	-	7,500	7,500.00
Over 4 years	-	-	4,000	-	4,000.00
Redeemable at par and payable quarterly					
Up to 2 years	6,000	-	-	-	6,000.00
Total at face value	**92,000.00**	**1,10,100.00**	**64,000.00**	**7,500.00**	**2,73,600.00**
Interest accrued but not due					10,889.84
Impact of EIR					(2,102.34)
Total amortised cost					**2,82,387.50**

-Interest rate ranges from 7.40% to 10.10% as at March 31, 2023

15. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost (within India)		
Secured		
Term Loans from Banks (refer note 15.1, 15.2 and 15.3)	5,73,369.29	3,72,141.56
Term Loans from Financial institutions (refer note 15.1, 15.4 and 15.5)	18,775.80	15,082.99
Cash Credit from Banks (refer note 15.6 and 15.7)	1,628.72	-
Securitisation liabilities (refer note 15.8 and 15.9)	16,387.68	32,801.54
Total (A)	**6,10,161.49**	**4,20,026.09**
At amortised cost (outside India)		
Secured		
External commercial borrowing (ECB) (refer note 15.10 and 15.11)	92,972.23	10,891.69
Total (B)	**92,972.23**	**10,891.69**
Total (C) = (A) + (B)	**7,03,133.72**	**4,30,917.78**

15.1 Term loans from Banks and Financial institutions, cash credit from banks and securitisation liablities of the Company including those borrowed during the year ended March 31, 2024 are fully secured by hypothecation of book debts, loan receivables and fixed deposits.

15.2 Details of Term loans from Banks (Secured) as at March 31, 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable half-yearly										
Up to 2 years	1	490.00	-	-	-	-	-	-	1	490
Repayable quarterly										
Up to 2 years	4	2,997.74	-	-	-	-	-	-	4	2,997.74
Over 2 to 3 years	10	3,166.67	7	2,416.67	2	581.95	-	-	19	6,165.29
Over 3 to 4 years	47	17,966.16	50	18,663.76	36	12,716.03	17	3,963.41	150	53,309.36
Over 4 years	204	1,08,571.36	177	99,496.02	161	93,876.61	160	1,00,093.29	702	4,02,037.28
Repayable monthly										
Over 2 to 3 years	12	3636.36	12	3636.36	2	602.78	-	-	26	7,875.5
Over 3 to 4 years	12	1683.57	3	281.25	-	-	-	-	15	1,964.82
Over 4 years	170	26,166.95	168	25,916.95	146	24,341.96	165	25,716.6	649	1,02,142.46
Total Face value		**1,64,678.81**		**1,50,411.01**		**1,32,119.33**		**1,29,773.30**		**5,76,982.45**
Interest accrued but not due		-	-	-	-	-	-	-	-	15.44
Impact of EIR		-	-	-	-	-	-	-	-	(3,628.60)
Total amortised cost		-					-			**5,73,369.29**

-Interest rate ranges from 9.12% to 10.80% p.a as at March 31, 2024.

15.3 Details of Term Loans from Banks (Secured) as at March 31, 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable half-yearly										
Over 4 years	5	2,096.09	-	-	-	-	-	-	5	2,096.09
Repayable quarterly										
Up to 2 years	4	3,000.00	4	3,000.00	-	-	-	-	8	6,000.00
Over 2 to 3 years	8	2,333.33	6	2,000.00	3	1,250.00	-	-	17	5,583.33
Over 3 to 4 years	21	8,993.13	24	11,608.52	22	10,959.80	9	5,552.75	76	37,114.20
Over 4 years	181	68,726.91	169	70,105.70	131	55,928.82	191	76,506.75	672	271,268.18
Repayable monthly										
Over 3 to 4 years	20	1,708.33	12	1,125.00	3	281.25	-	-	35	3,114.58
Over 4 years	84	11,700.00	84	11,700.00	84	11,700.00	89	13,915.67	341	49,015.67
Total Face value		**98,557.79**		**99,539.22**		**80,119.87**		**95,975.17**		**3,74,192.05**
Interest accrued but not due										68.82
Impact of EIR										(2,119.30)
		-		-		-		-		
Total amortised cost										**3,72,141.57**
	-									

-Interest rate ranges from 8.30% to 10.75% p.a as at March 31, 2023.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets
The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company.

15.4 Details of Term Loans from Financial Institutions as at March 31, 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on yearly										
Over 4 years	2	1,500.00	5	1,500.00	2	1,500.00	-	-	6	4,500.00
Repayable monthly										
Over 3 to 4 years	60	5,746.08	55	5,359.50	21	2,500.00	5	595.24	141	14,200.82
Total Face value		**7,246.08**		**6,859.50**		**4,000.00**		**595.24**		**18,700.82**
Interest accrued but not due										115.30
Impact of EIR										(40.32)
Total amortised cost										**18,775.80**

-Interest rate ranges from 6.00% to 10.15% p.a as at March 31, 2024.

15.5 Details of Term Loans from Financial Institutions as at March 31, 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on maturity										
Up to 2 years	1	490.00	-	-	-	-	-	-	1	490.00
Repayable on yearly										
Over 4 years	2	1,500.00	2	1,500.00	2	1,500.00	2	1,500.00	8	6,000.00
Repayable monthly										
Over 3 to 4 years	35	2,816.02	36	2,888.94	31	2,502.36	-	-	102	8,207.32
Over 4 years	4	413.17		-	-	-	-	-	4	413.17
Total Face value		**5,219.19**		**4,388.94**		**4,002.36**		**1,500.00**		**15,110.49**
Interest accrued but not due	-	-	--	-	-	-	-	-	-	0.33
Impact of EIR	-	-	-	-	-	–	-	-	-	(27.83)
Total amortised cost										**15,082.99**

-Interest rate ranges from 6.00% to 10.75% p.a as at March 31, 2023.

15.6 Details of Cash Credit from Banks as at March 31, 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on maturity										
Over 2 years	1	1,628.72	-	-	-	-	-	-	1	1,628.72
Total amortised cost	-	**1,628.72**	-	-	-	-	-	-	-	**1,628.72**

-Interest rate is at 9.30% p.a as at March 31, 2024.

15.7 There were no cash credit from Banks as at March 31, 2023

15.8 Details of Securitisation Liabilities as at March 31, 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable bullet										
Over 4 years	-	-	-	-	-	-	1	353.59	1	353.59
Repayable monthly										
Over 4 years	51	8,919.78	30	1,917.72	24	2,063.40	43	3,106.86	148	16,007.76
Total Face value		**8,919.78**		**1,917.72**		**2,063.40**		**3,460.45**		**16,361.35**
Interest accrued but not due										50.18
Impact of EIR										(23.85)
Total amortised cost										**16,387.68**

-Interest rate ranges from 8.00% to 10.15% p.a as at March 31, 2024.

15.9 Details of Securitisation Liabilities as at March 31, 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable bullet										
Over 4 years	-	-	-	-	-	-	1	353.59	1	353.59
Repayable monthly										
Over 4 years	75	11,214.41	60	10,975.02	29	3,424.92	65	6,536.34	229	32,450.69
Total Face value		**11,214.41**		**10,975.02**		**3,424.92**		**6,889.93**		**32,804.28**
Interest accrued but not due	-	-	-	-	-	-	-	-	-	73.47
Impact of EIR	-	-	-	-	-	-	-	-	-	(76.21)
Total amortised cost	-	-	-	-	-	-	-	-	-	**32,801.54**

-Interest rate ranges from 8.00% to 10.25% p.a as at March 31, 2023.

15.10 Details of External Commercial Borrowings as at March 31, 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on maturity										
Over 2 to 3 years	-	-	-	-	1	36,248.55	-	-	1	36,248.55
Over 3 to 4 years	-	-	-	-	1	48,261.80	-		1	48,261.80
Repayable quarterly									25	
Over 4 years	4	1,555.88	4	1,555.88	4	1,555.88	13	5,056.59	-	9,724.23
Total Face value	-	**1,555.88**	-	**1,555.88**	-	**86,066.23**	-	**5,056.59**	-	**94,234.58**
Interest accrued but not due	-	-	-	-	-	-	-	-	-	416.59
Impact of EIR and fair value	-	-	-	-	-	-	-	-	-	(1,678.94)
Total amortised cost	-	-	-	-	-	-	-	-	-	**92,972.23**

-Interest rate ranges from 9.90% to 10.30% p.a as at March 31, 2024.

15.11 Details of External Commercial Borrowings as at March 31, 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable quarterly										
Over 4 years	4	1,381.12	4	1,381.12	4	1,381.12	17	5,869.77	29	10,013.14
Total Face value	-	**1,381.12**	-	**1,381.12**	-	**1,381.12**	-	**5,869.77**	-	**10,013.14**
Interest accrued but not due	-	-	-	-	-	-	-	-	-	29.27
Impact of EIR and fair value	-	-	-	-	-	-	-	-	-	849.28
Total amortised cost	-	-	-	-	-	-	-	-	-	**10,891.69**

-Interest rate is at 9.70% p.a as at March 31, 2023.

15.12 The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans have been based on the interest rates, prevalent as on the respective reporting dates.

15.13 Cash credit facility from bank is secured against loan receivables and bank overdraft is secured against fixed deposit with bank.

15.14 The borrowings have not been guaranteed by directors or others. Also, the Company has not defaulted in repayment of principal and interest.

16. Subordinated Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Non Convertible Debentures (refer note 16.1 and 16.2)	5,047.52	7,707.35
Total	**5,047.52**	**7,707.35**
Subordinated liablities in India	5,047.52	7,707.35
Subordinated liablities outside India	-	-
Total	**5,047.52**	**7,707.35**

16.1 Details of Non-Convertible Debentures (Unsecured) as at March 31, 2024

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD (Secured)				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
	Amount	Amount	Amount	Amount	
Repayable on maturity					
Over 4 years	-	-	-	5,000.00	5,000.00
Total at face value	-	-	-	**5,000.00**	**5,000.00**
Interest accrued but not due					78.76
Impact of EIR					(31.24)
Total amortised cost					**5,047.52**

-Interest rate ranges from 9.35% to 9.50% p.a as at March 31, 2024.

16.2 Details of Non Convertible Debentures (Unsecured) as at March 31, 2023

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD (Secured)				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
	Amount	Amount	Amount	Amount	
Repayable on maturity					
Over 4 years	2,500	-	-	5,000.00	7,500
Total at face value	**2,500**	-	-	**5,000.00**	**7,500**
Interest accrued but not due	-	-	-	-	251.51
Impact of EIR	-	-	-	-	(44.16)
Total amortised cost	-	-	-	-	**7, 707.35**

-Interest rate ranges from 9.35% to 9.50% p.a as at March 31, 2024.

17. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits Payable	3,340.53	2,173.91
Advance received from customers	9,632.97	15,894.59
Book overdraft	8,998.28	6,060.39
Loan Payable*	14,596.22	5,236.36
Lease liability (Refer note 31)	4,461.50	405.56
Amounts payable under Direct assignment & Co-lending arrangement	1,472.25	767.42
Total	**42,501.75**	**30,538.23**

*Towards request for disbursement received from borrowers against loans duly sanctioned and contracted.

18. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
- Gratuity (refer note 36)	242.92	136.69
- Compensated absences Fund (refer note 36)	59.55	-
Total	**302.47**	**136.69**

19. Other Non-Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	1,708.16	861.65
Total	**1,708.16**	**861.65**

20. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
AUTHORISED		
175,000,000 Equity Shares of ₹ 10 each	17,500.00	17,500.00
(FY 2022-23 175,000,000 Equity Shares of ₹ 10 each)		
25,000,000 Preference Shares of ₹ 10 each	2,500.00	2,500.00
(FY 2022-23 25,000,000 Preference Shares of ₹ 10 each)		
	20,000.00	**20,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
125,911,616 Equity Shares of ₹ 10 each	12,591.16	10,663.80
(FY 2022-23 106,638,002 Equity Shares of ₹10 each)		
	12,591.16	**10,663.80**

Subsequent to March 31, 2024, the Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from ₹ 10 per share to ₹ 5 per share.

20.1 (a) Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the End of the Reporting Period

(₹ in Lakhs)

Particulars	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,66,38,002	10,663.80	8,25,91,861	8,259.19
Shares issued during the year	1,92,73,614	1,927.36	2,40,46,141	2,404.61
Shares outstanding at the end of the year	**12,59,11,616**	**12,591.16**	**10,66,38,002**	**10,663.80**

20.1 (b) Reconciliation of number of Compulsorily Convertible Preference Shares (CCPS) Outstanding at the Beginning and at the End of the Reporting Period

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2024	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year (refer 20.1(d))	-	-	2,11,89,895	2,118.99
CCPS converted to equity during the year	-	-	(2,11,89,895)	(2,118.99)
Closing balance	-	-	**-**	**-**

20.1 (c) Shares Reserved for Issue under Employee Stock Option Plan

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares of ₹ 10 fully paid up		
Number of Shares reserved for ESOPs (Refer note 39)	42,66,041	45,67,096

20.1 (d) Rights, Preferences and Restrictions

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

The Compulsorily Convertible Preference Shares (CCPS) issued during the financial year 2022-23 were subsequently converted to equity shares on January 19, 2023.

20.1 (e) List of Shareholders holding more than 5% Shares

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
Olive Vine Investment Ltd.*	7,46,97,037	59.32%	7,46,97,037	70.05%
Kedaara Capital Growth Fund III LLP	1,76,88,940	14.05%	1,32,66,705	12.44%
International Finance Corporation	1,45,40,892	11.55%	1,86,74,260	17.51%
Alpha Investment Company LLC	1,29,40,331	10.28%	-	0.00%

*Including shares held jointly with nominee Shareholders

20.1. (f) Shareholding of Promoters

As at March 31, 2024 S. No.	Promoter Name	No of Shares at the beginning of the year	Change during the year	No of Shares at the end of the year	% of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid	Olive Vine Investment Ltd.*	7,46,97,037	-	7,46,97,037	59.32%	-

*Including shares held jointly with nominee Shareholders

As at March 31, 2023 S. No.	Promoter Name	No of Shares at the beginning of the year	Change during the year	No of Shares at the end of the year	% of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid	Olive Vine Investment Ltd.*	6,60,73,488	86,23,549	7,46,97,037	70.05%	(9.95%)

* Including shares held jointly with nominee Shareholders

21. Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	2,88,163.93	1,71,032.71
General Reserve	47.45	38.80
Statutory Reserve (under Section 45-IC (1) of the Reserve Bank of India Act, 1934)	13,374.54	6,523.15
Stock Options Reserve	1,904.22	1,305.77
Cash Flow Hedge Reserve	(992.45)	235.88
Retained Earnings	52,566.55	25,174.45
TOTAL	**3,55,064.24**	**2,04,310.76**

Note: For additions and deductions under each of the above heads, refer Statement of Changes in Equity

Description of the nature and purpose of Other Equity

Securities Premium

Securities premium account is used to record the premium on issue of shares and utilisation towards share issue expenses. It can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the company continues to transfer to general reserves, cost of employees stock options that are vested but expired or unexcerised or upon their forfeiture.

Statutory Reserve as per Section 45–IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared.

Employees Stock Option Reserve

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Cash Flow Hedge Reserve

It represents the cumulative gain/(loss) arising on revaluation of the derivative instruments designated as cash flow hedges through other comprehensive income.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

22. Interest Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost		
- Interest on Loans	1,38,642.99	85,548.43
- Interest Income on fixed deposits with bank	4,429.85	3,536.04
- Interest Income from Treasury bills	1,220.20	223.61
Total	**1,44,293.04**	**89,308.08**

23. Fees and Commission Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Type of services		
Forex commission	5,180.02	2,562.15
Insurance commission	9,294.72	1,599.02
Prepayment & other fees and charges	3,954.92	2,532.57
Total	**18,429.66**	**6,693.74**

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

Geographical markets		
- India	18,429.66	6,693.74
- Outside India	-	-
Total	**18,429.66**	**6,693.74**

Timing of revenue recognition		
Services transferred at a point in time	18,429.66	6,693.74
Services transferred over time	-	-
Total	**18,429.66**	**6,693.74**

Note: For receivable balances against the income, refer note no. 6

24.Net Gain on Fair Value Changes

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Realised gain on sale of mutual funds - at FVTPL	1,324.94	660.32
Unrealised gain on mutual funds - at FVTPL	-	-
Total	**1,324.94**	**660.32**

25. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	53,943.58	29, 211.47
Interest on debt securities	30,099.89	20,093.47
Interest on subordinated liabilities	737.45	746.80
Interest on securitisation liabilities	2,172.17	3,750.65
Finance cost on lease liability	80.88	57.20
Other finance charges	529.84	124.68
Total	**87,563.79**	**53,984.27**

Note: There are no financial liabilities measured at FVTPL.

26. Impairment of Financial Instruments

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial liabilities measured at amortised cost		
Expected credit loss	3,321.10	1,838.08
Bad debts written off	4,638.11	2,820.83
Total	**7,959.22**	**4,658.91**

27. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Bonus and other allowances	12,414.87	8,355.27
Contribution to Provident Fund and Other Funds (refer note 36)	485.02	338.23
Gratuity (refer note 36)	117.46	109.13
Employee share based payment expenses	747.90	490.24
Staff Welfare Expenses	281.46	189.29
Total	**14,046.71**	**9,482.16**

28. Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity Charges	103.98	76.89
Security Charges	15.71	11.53
Manpower Outsourcing	1,698.41	458.24
Rent	227.74	190.73
Office Maintenance	79.78	44.99
Insurance Charges	190.07	161.38
Rates and Taxes	96.51	99.23
Housekeeping Expenses	172.13	102.73
Business Sourcing Expenses	4,113.42	1,747.62
Travelling and Conveyance	1,110.01	714.60
Rating Fees	437.17	276.01
Printing and Stationery	133.05	91.45
Postage, Telephone and Fax	190.25	149.64
Advertising	78.43	148.43
Information Technology Expense	3,645.62	1,975.72
Bank Charges	27.45	82.20
Director's Remuneration & Sitting Fees	90.26	88.18
Legal & Professional Expenses	1,906.56	1,607.96
Auditors Remuneration (refer note below)	100.26	92.65
Corporate Social Responsibilty expenses (refer note 35)	231.00	111.00
Miscellaneous Expenses	598.39	202.31
Total	**15,246.20**	**8,433.49**

Payments to auditors (including Goods and Services Tax to the extent of credit not availed)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) For audit and limited reviews	81.74	70.85
b) For certification	15.26	19.62
c) For reimbursement of expenses	3.26	2.18
Total	**100.26**	**92.65**

29. Earning per Equity Share

(₹ in Lakhs)

Sr. No.	Earning Per Equity Share	For the year ended March 31, 2024	For the year ended March 31, 2023
A	Profit attributable to equity share holders (₹ in lakhs)	34,256.97	15,773.44
B	Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.	22,23,59,825	17,46,70,419
	Effect of dilution:		
	Employee stock options	51,96,545	35,73,517
C	Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	22,75,56,370	17,82,43,936
	Basic earnings per share (₹) (A/B)	15.41	9.03
	Diluted earnings per share (₹) (A/C)	15.05	8.85
	Nominal value per share (₹)*	5.00	5.00

*Subsequent to March 31, 2024, the Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from ₹10 per share to ₹5 per share. Accordingly, the earnings per share for the earlier periods have been recalculated based on revised number of shares.

30. Contingent Liabilities and Commitments

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
A	**Contingent Liabilities**		
B	Against income tax appeal filed	316.83	-
	Capital Commitments:		
	Undisbursed commitments	1,05,841.09	79,554.64
C	Estimated amount of contracts remaining to be executed on capital account and not provided for	740.17	169.74

Note: During the previous year, the company has paid income tax demand amounting to ₹ 734 lakhs for assessment year 2020-21 & ₹100 lakhs for assessment year 2021-22 under protest.

The Company is involved in certain litigations, including claims from revenue authorities, cases by/against customers, dispute with a third party towards invocation of guarantee and other matters arising in the normal course of business. These matters are pending at various forums and different stages of legal proceedings.

The Company has assessed the possible obligations arising from such claims, in accordance with the requirements of Ind AS 37, considering judicial precedents, consultation with lawyers and past experience. Accordingly, the Company is of the view that based on information currently available, no provision or disclosure as contingent liability is considered necessary in respect of these matters except as disclosed above.

31. Leases

In accordance with the Ind AS 116 on "Leases", the following disclosures in respect of leases are made.

The Company has recognised lease liabilities and right to use assets as follows:

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Lease Liabilities**		
	Opening Balance	405.56	566.43
	Add: Lease liabilities recognised during the year	4,592.33	138.20
	Less: Lease liabilities written off during the year	-	-
	Add: Interest accrued on lease liabilities	80.88	57.20
	Less: Lease payments	(617.27)	(356.27)
	Closing Balance of Lease Liabilities	**4,461.50**	**405.56**
II	**Right of use assets (RoU assets)**		
	Opening balance	348.58	487.78
	Add: RoU assets recognised during the year	4,592.33	138.19
	Less: RoU assets written off during the year	-	-
	Less: Depreciation on RoU assets	(539.32)	(277.39)
	Closing balance of RoU assets	**4,401.59**	**348.58**

1. The aggregate depreciation expenses on ROU assets is included under depreciation and amortisation expenses in the Statement of Profit and Loss.

Table showing contractual maturities of lease liabilities on an undiscounted basis:

(₹ in Lakhs)

Particulars	March 31,2024	March 31,2024
Less than one year	1,232.85	338.38
One to five years	4,197.10	128.20
More than five years	-	-
Total	**5,429.95**	**466.58**

Amount Recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	March 31,2024	March 31,2024
Interest on lease liabilities charged to finance cost	80.88	57.20
Depreciation charge for the period on RoU assets	539.32	277.39
Expense relating to short-term leases (included in Rent expenses under note 28 " Other expenses")	227.74	190.73
Expense relating to leases of low-value assets (included in Rent expenses under note 28 " Other expenses")	-	-
Total	**847.94**	**525.32**

Cash out flow on account of lease payments is ₹617.27 lakhs (previous year ₹356.27 lakhs)

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

32. Segment Reporting

The Company operates in a single reportable operating segment of providing loans. Accordingly, there are no revenues from transactions with a single external customer which is more than 10% of total revenue, as per the Ind AS on 'Operating Segments' (Ind AS 108) prescribed under section 133 of the Companies Act, 2013.

The Company has its operation within India and all revenues are generated within India.

33. Change in Liabilities arising from Financing Activities

(₹ in Lakhs)

Particulars	As at April 01, 2023	Cash Flows (Net)	Others (net)*	As at March 31, 2024
Debt securities	2,82,387.50	13,500.00	9,456.14	3,05,343.64
Borrowing other than debt securities	4,30,917.78	2,75,844.63	(3,628.69)	7,03,133.72
Subordinated liabilities	7,707.35	(2,500.00)	(159.83)	5,047.52
Lease Liability	405.56	(617.27)	4,673.21	4,461.50

Particulars	As at April 01, 2022	Cash Flows (Net)	Others (net)*	As at March 31, 2023
Debt securities	1,15,529.52	1,62,100.00	4,757.98	2,82,387.50
Borrowing other than debt securities	2,86,803.35	1,43,965.79	148.64	4,30,917.78
Subordinated liabilities	7,695.02	-	12.33	7,707.35
Lease Liability	566.43	(356.27)	195.40	405.56

*Includes the effect of interest accrued but not paid on borrowing, amortisation of processing fees and MTM gain/(loss) on cash flow hedge for ECB.

34. Transfer of Financial Assets

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Loans and advances measured at amortised cost	As at April 01, 2024	As at April 01, 2023
Carrying amount of transferred assets measured at amortised cost	26,791.14	43,394.52
Carrying amount of associated liabilities measured at amortised cost	(16,387.70)	(32,801.50)

35. Expenditure towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 (Read with Schedule VII thereof)

A. Gross amount required to be spent by the Company & approved by the board during the year – ₹ 231 lakhs (FY 2022-23- ₹ 111 lakhs)

B. Amount spent by the Company during the year

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Amount spent	Amount unpaid /provision	Total	Amount spent	Amount unpaid /provision	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purpose other than (i) above	231	-	231.00	119.37	-	119.37

C. In Case of Section 135(5) Unspent Amount

March 31, 2024

(₹ in Lakhs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0	-	231.00	231.00	-

March 31, 2023

(₹ in Lakhs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
8.37	-	111.00	119.37	-

D. In Case of Section 135(5) Excess Amount Spent

March 31, 2024

Opening Balance	Amount required to be spent during the year	Amount required to be spent during the year	Closing Balance
0	231.00	231.00	-

March 31, 2023

Opening Balance	Amount required to be spent during the year	Amount required to be spent during the year	Closing Balance
0	111.00	111.00	-

E. In case of Section 135(6) Details of Ongoing Projects

March 31, 2024

Opening Balance		Amount spent during the year			Closing Balance	
With Company	In separate CSR unspent account	Amount required to be spent during the year	From Company's bank account	From separate CSR unspent account	With Company	In separate CSR unspent account
-	-	231.00	231.00	-	-	-

March 31, 2023

Opening Balance		Amount spent during the year			Closing Balance	
With Company	In separate CSR unspent account	Amount required to be spent during the year	From Company's bank account	From separate CSR unspent account	With Company	In separate CSR unspent account
-	8.37	111.00	111.00	8.37	-	-

F. Nature of CSR Activities Projects

CSR activities conducted during the year were focused on promoting education and training, enhancing employability skills for unemployed individuals, environmental sustainability and rural development and welfare measures

36 Employee Benefit

Defined Contribution Plan

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹484.79 lakhs (Previous Year: ₹338.02 lakh) has been recognised in the Statement of Profit and Loss under the head Employees benefit expenses.

The Company's contribution to National Pension Scheme aggregating ₹60.15 lakhs (Previous Year: ₹33.69 lakh) has been recognised in the Statement of Profit and Loss under the head Employees benefit expenses.

Defined Benefit Obligation Plan

The liability under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Investment/Interest Rate Risk

The Company is exposed to Investment/Interest risk, if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

Longevity Risks

The Company is not exposed to risk of the employees living longer, as the benefit under the scheme ceases on the employee separating from the employer for any reason.

Salary Risks

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

a) The Assumptions used for the Purposes of the Actuarial Valuations were as follows

Particulars	As at March 31, 2024	As at March 31, 2023
SIGNIFICANT ASSUMPTIONS		
Discount rates	6.92%	7.02%
Expected rate of salary increase	10.00%	10.00%
Attrition rate (Past service - 0 to 42)	37.00%	37.00%
Other assumptions		
Mortality rate	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

b) Amount recognised in Balance Sheet in Respect of these Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	406.95	290.40
Fair value of plan assets	164.03	153.71
Net liability	**242.92**	**136.69**

c) Amount recognised in Statement of Profit and Loss in Respect of these Defined Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	111.09	106.34
Net interest cost	6.37	2.79
Past service cost	-	-
Total amount recognised in statement of profit and loss	**117.46**	**109.13**
Remeasurements on the net defined benefit liability:		
- Actuarial (gain)/loss	18.02	(23.77)
Total amount recognised in other comprehensive income	**18.02**	**(23.77)**
Total	**135.48**	**85.36**

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the statement of profit and loss.

d) Movement in the Present Value of the Defined Benefit Obligation are as follows

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	290.40	218.69
Current service cost	111.09	106.34
Past service cost	-	-
Interest cost	17.17	10.21
Remeasurements (gains)/losses:		
- Actuarial gain from change in demographic assumptions	-	(15.83)
- Actuarial loss from change in financial assumptions	1.01	2.33
- Actuarial gain from change in experience adjustments	16.55	(8.04)
Benefits paid	(29.27)	(23.30)
Closing defined benefit obligation	**406.95**	**290.40**

e) Movement in the Fair Value of Plan Assets are as follows

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	153.71	144.07
Interest income	10.79	7.42
Return on plan assets (excluding interest income)	(0.47)	2.22
Contributions by employer	-	-
Adjustment due to change in opening balance of plan assets	-	-
Actual Benefits paid	-	-
Closing fair value of plan assets	**164.03**	**153.71**

f) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

(₹ in Lakhs)

Particulars	31st March, 2024		31st March, 2023	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
Defined benefit obligation on increase in 100 bps	397.12	413.89	283.50	295.57
Impact of increase in 100 bps on defined benefit obligation	(2.41%)	1.71%	(2.38%)	1.78%
Defined benefit obligation on decrease in 100 bps	417.32	400.08	297.68	285.33
Impact of decrease in 100 bps on defined benefit obligation	2.55%	(1.69%)	2.51%	(1.75%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

g) Projected Benefits Payable

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Expected benefits for year 1	122.84	91.69
Expected benefits for year 2	94.54	67.10
Expected benefits for year 3	75.85	52.70
Expected benefits for year 4	58.91	41.61
Expected benefits for year 5	45.06	31.25
Expected benefits for year 6 to 10	82.51	57.92

The weighted average duration to the payment of these cash flows is 1.68 years (FY2022-23:1.68 years)

The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards provident fund and gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial statement following the Code becoming effective and the related rules being framed and notified. The Company has taken professional opinion in this regard and will ensure that it makes adequate provisions to remain compliant with all requirements.

The Company expects to contribute approximately ₹242.92 lakhs (FY 2022-23- ₹136.69 lakhs) to the gratuity fund

h) Investment Pattern

Particulars	FY 2023-24	FY 2022-23
Policy of insurance*	100%	100%
Total	**100%**	**100%**

37. Related Party Disclosure

A As per Ind AS 24 — "Related Party Disclosures", following disclosure are made:

Names of Related Parties and Description of Relationship

(i) Holding Company

Olive Vine Investment Ltd.
(An affiliate of Warburg Pincus LLC)

(ii) Wholly Owned Subsidiary

Avanse Global Finance IFSC Private Limited (Date of Incorporation:January 11, 2023)

(iii) Directors

Mr. Neeraj Swaroop - Independent director
Mrs. Vijayalakshmi Iyer - Independent director
Mr. Narendra Ostawal - Non executive director
Mrs. Savita Mahajan - Independent director
Mr. Ravi Venkatraman - Independent director
Mr. Amit Gainda - Managing Director and Chief Executive Officer

Key Management Personnel

Mr. Amit Gainda - Managing Director and Chief Executive Officer
Mr. Vineet Mahajan - Chief Financial Officer (resigned w.e.f. February 20, 2024)
Mr. Vikrant Gandhi - Chief Financial Officer (appointed w.e.f. February 21, 2024)
Mr. Vikas Tarekar - Company Secretary' (resigned w.e.f. August 02, 2022)
Mr. Rajesh Gandhi - Company Secretary' (appointed w.e.f. November 11, 2022)

(iv) Details of Transactions with Related Parties

(₹ in Lakhs)

Name of the related party	March 31, 2024	March 31, 2023
Preference Share Capital issued during the period		
Olive Vine Investment Ltd.	-	31,200.00
Avanse Global Finance IFSC Private Limited		
Investment in equity shares	2,672.79	1.00
Reimbursement of expenses	73.50	40.85
Common support cost - recharge	25.22	-
Key Management Personnel (KMP) Remuneration		
Short-term employee benefits	792.96	547.91
Share-based payment:		
Equity shares issued pursuant to stock option scheme	496.86	-
Director's Commission		
Mr. Neeraj Swaroop	21.80	21.80
Mrs. Vijayalakshmi Iyer	10.90	10.90
Mrs. Savita Mahajan	10.90	10.90
Mr. Ravi Venkatraman	10.90	10.90
Sitting Fees		
Mr. Neeraj Swaroop	9.16	9.70
Mrs. Vijayalakshmi Iyer	9.16	7.74
Mrs. Savita Mahajan	8.28	6.54
Mr. Ravi Venkatraman	9.16	9.70

(₹ in Lakhs)

Balances as at	March 31, 2024	March 31, 2023
Avanse Global Finance IFSC Private Limited		
Investment in equity shares	2,673.79	1.00
Receivables	114.35	40.85
Director's Commission		
Mr. Neeraj Swaroop	21.80	21.80
Mrs. Vijayalakshmi Iyer	10.90	10.90
Mrs. Savita Mahajan	10.90	10.90
Mr. Ravi Venkatraman	10.90	10.90
Sitting Fees Payable		
Mrs. Vijayalakshmi Iyer	0.44	-

37.1 There are no provision for doubtful debts/advances or amounts written off or written back for debts due from/due to related parties.
37.2 The transactions disclosed above are inclusive of 9% GST, wherever applicable.
37.3 The Compulsorily Convertible Preference Shares (CCPS) issued during the FY 2022-23 were subsequently converted to equity shares on January 19, 2023.
37.4 Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.v

38. Maturity Analysis of Assets and Liabilities

(₹ in Lakhs)

Sr. No.	Assets	As at March 31, 2024			As at March 31, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(1)	**Financial Assets**						
(a)	Cash and cash equivalents	1,27,579.33	-	1,27,579.33	78,706,59	-	78,706,59
(b)	Bank balances other than (a) above	20,195.49	2,765.25	22,960.74	31,003.05	3,278.83	34,281.88
(c)	Derivative financial instruments	-	33.21	33.21	-	1,472.06	1,472.06
(f)	Trade receivables	919.38	-	919.38	832.98	-	832.98
(d)	Loans	2,26,075.40	10,13,589.51	12,39,664.91	1,85,622.16	6,51,500.26	8,37,122.42
(e)	Investments	24,314.56	2,673.79	26,988.35	6,441.69	1.00	6,442.69
(f)	Other financial assets	421.95	1,138.60	1,560.55	5,421.50	555.02	5,976.52
		3,99,506.11	**10,20,200.36**	**14,19,706.47**	**3,08,027.97**	**6,56,807.17**	**9,64,835.14**
(2)	**Non-financial Assets**						
(a)	Current tax assets (net)	-	1,873.87	1,873.87	-	1,952.84	1,952.84
(b)	Deferred tax assets (net)	-	936.01	936.01	-	2,250.23	2,250.23
(c)	Property, plant and equipment	-	2,330.10	2,330.10	-	1,308.99	1,308.99
(d)	Capital work-in-progress	-	886.70	886.70	-	-	-
(e)	Right of use assets	-	4,401.59	4,401.59	-	348.58	348.58
(f)	Intangible assets under development	-	1,128.94	1,128.94	-	464.12	464.12
(g)	Other intangible assets	-	1,138.70	1,138.70	-	634.48	634.48
(h)	Other non-financial assets	538.12	1,426.73	1,964.85	688.21	514.90	1,203.11
		538.12	**14,122.64**	**14,660.76**	**688.21**	**7,474.14**	**8,162.35**
	Total	**4,00,044.23**	**10,34,323.00**	**14,34,367.23**	**3,08,716.18**	**6,64,281.31**	**9,72,997.49**

(₹ in Lakhs)

Sr. No.	Liabilities	March 31, 2024			March 31, 2023		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(1)	**Financial Liabilities**						
(a)	Derivative financial instruments	-	1,163.90	1,163.90	-	-	-
(b)	Trade payables	7,510.67	-	7,510.67	5,473.73	-	5,473.73
(c)	Debt securities	1,26,514.61	1,78,829.03	3,05,343.64	97,838.53	1,84,548.97	2,82,387.50
(f)	Borrowings (other than debt securities)	1,84,625.39	5,18,508.33	7,03,133.72	1,14,276.19	3,16,641.59	4,30,917.78
(d)	Subordinated liabilities	78.76	4,968.76	5,047.52	2,747.60	4,959.75	7,707.35
(e)	Other financial liabilities	32,370.84	10,130.91	42,501.75	7,335.48	23,202.75	30,538.23
(f)	**Total Financial Liabilities**	**3,51,100.27**	**7,13,600.93**	**10,64,701.20**	**2,27,671.53**	**5,29,353.06**	**7,57,024.59**
(2)	**Non-financial Liabilities**						
(a)	Provisions	-	302.47	302.47	-	136.69	136.69
(b)	Other non-financial liabilities	1,708.16	-	1,708.16	861.65	-	861.65
(c)	**Total Non-Financial Liabilities**	**1,708.16**	**302.47**	**2,010.63**	**861.65**	**136.69**	**998.34**
	Total	**3,52,808.43**	**7,13,903.40**	**10,66,711.83**	**2,28,533.18**	**5,29,489.75**	**7,58,022.93**

39. The Board of Directors at its meeting held on January 28th, 2020, approved an issue of stock options of 48,26,799 equity shares of the face value of ₹10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under Section 62 of the Companies Act, 2013. The shareholders of the Company vide their special resolution passed at its 18th extra ordinary general meeting held on February 5, 2020 approved the issue of equity shares of the Company under Avanse Financial Services Employee Stock Option Plan - 2019 (ESOP-2019). Subsequent to March 31, 2024, the Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from ₹10 per share to ₹5 per share.

Vesting period of the options issued under the ESOP Scheme is on a straight line basis over the period of 4 years with the vesting condition of continuous employement with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination, Remuneration and Compensation Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Under the scheme, fourteen grants have been made as of March 31, 2024 details of which, are given as under:

As on March 31, 2024

Grant Date	5-Feb-20	5-Feb-21	1-June-21	1-Oct-21	8-Feb-22	7-May-22
Exercise Price	152	193	193	230	230	230
Option Granted	34,27,771	4,64,741	72,623	2,99,665	41,163	2,58,221
Option vested and exercisable	14,38,493	1,70,839	28,902	67,750	7,756	60,577
Option unvested	15,06,682	49,888	28,903	4,039	6,806	1,75,704
Option exercised	4,45,917	23,252	1,179	2,885	-	-
Option cancelled	4,82,596	2,44,014	14,818	2,27,876	26,601	21,940
Option Outstanding	24,99,258	1,97,475	56,626	68,904	14,562	2,36,281
Weighted average remaining contractual life (years)	0.85	1.85	2.17	2.50	2.86	3.10

Grant Date	1-Jun-22	12-Aug-22	3-Oct-22	20-Oct-22	1-Dec-22	1-Jun-23
Exercise Price	230	230	230	230	363	452
Option Granted	2,72,545	1,40,000	50,000	2,50,000	30,000	2,08,132
Option vested and exercisable	54,559	17,500	6,250	31,250	7,500	-
Option unvested	1,51,475	1,22,500	-	2,18,750	22,500	1,79,674
Option exercised	-	-	-	-	-	-
Option cancelled	66,511	-	43,750	-	-	28,458
Option Outstanding	2,06,034	1,40,000	6,250	2,50,000	30,000	1,79,674
Weighted average remaining contractual life (years)	3.17	3.37	3.51	3.56	3.67	4.17

Grant Date	7-Nov-23	15-Mar-24
Exercise Price	452	695
Option Granted	1,84,536	1,96,441
Option vested and exercisable	-	-
Option unvested	1,84,536	1,96,441
Option exercised	-	-
Option cancelled	-	-
Option Outstanding	1,84,536	1,96,441
Weighted average remaining contractual life (years)	4.60	4.96

As on March 31, 2023

Grant Date	5-Feb-20	5-Feb-21	1-Jun-21	1-Oct-21	8-Feb-22	7-May-22
Exercise Price	152	193	193	230	230	230
Option Granted	34,27,772	4,64,742	72,623	2,99,665	41,163	2,58,221
Option vested and exercisable	10,78,864	1,39,160	14,451	34,481	6,659	-
Option unvested	18,78,220	2,35,924	54,467	2,52,248	34,504	2,58,221
Option exercised	-	-	-	-	-	-
Option cancelled	4,82,596	1,13,563	14,818	51,741	14,531	15,921
Option Outstanding	29,45,176	3,51,179	57,805	2,47,924	26,632	2,42,300
Weighted average remaining contractual life (years)	1.85	2.85	3.17	3.50	3.86	4.10

Grant Date	1-Jun-22	12-Aug-22	3-Oct-22	20-Oct-22	1-Dec-22
Exercise Price	230	230	230	230	363
Option Granted	2,72,545	1,40,000	50,000	2,50,000	30,000
Option vested and exercisable	-	-	-	-	-
Option unvested	2,72,545	1,40,000	50,000	2,50,000	30,000
Option exercised	-	-	-	-	-
Option cancelled	46,465	-	-	-	-
Option Outstanding	2,26,080	1,40,000	50,000	2,50,000	30,000
Weighted average remaining contractual life (years)	4.17	4.37	4.51	4.56	4.67

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY 2024	FY 2023
Grant Date	01-Jun-23/07-Nov-23/15-Mar-24	07-May-22/01-Jun-22/12-Aug-22/03-Oct-22/20-Oct-22 /01-Dec-22
No. of Option Granted	5,89,109	10,00,766
Weighted average fair value ₹	179.61	98.66

Method used for Accounting for Share Based Payment Plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black–Scholes Model. The key assumptions used in Black –Scholes Model for calculating fair value as on the date of respective grants are:

Grant Date	5-Feb-20	5-Feb-21	1-Jun-21	1-Oct-21	8-Feb-22	7-May-22
Risk Free Interest Rate (%)	6.1	5.48	5.55	5.47	5.47	7.18
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Expected volatility	17.57	24.53	25	24.93	24.93	23.99
Dividend yield	-	-	-	-	-	-
Fair market value at the time of option grant (₹)	152	193	193	230	230	230

Grant Date	1-Jun-22	12-Aug-22	3-Oct-22	20-Oct-22	1-Dec-22	1-Jun-23
Risk Free Interest Rate (%)	7.18	7.18	7.24	7.24	7.13	7.24
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Expected volatility	23.99	23.99	24.15	24.15	24.42	25.01
Dividend yield	-	-	-	-	-	-
Fair market value at the time of option grant (₹)	230	230	230	230	363	452

Grant Date	7-Nov-23	15-Mar-24
Risk Free Interest Rate (%)	7.24	6.91
Expected life	4 years	4 years
Expected volatility	25.01	13.38
Dividend yield	-	-
Fair market value at the time of option grant (₹)	452	695

The Charge on Account of above Scheme is included in Employee Benefit Expense Aggregating ₹747.90 Lakhs (Previous Year ₹490.24 Lakhs)

40 Financial Instruments

40.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimise cost of capital. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the lender to immediately call loans and borrowings. The Company is subject to Capital Adequacy Ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15% as prescribed under the prudential norms of the RBI under the Master Direction–Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 as amended based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. The CAR, which was computed on the basis of the applicable RBI requirements, is as below.

Capital Risk Adequacy Ratio (CRAR)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Funds		
Net owned funds (Tier I Capital)	3,49,860.13	2,07,649.82
Tier II Capital	7,602.14	4,319.63
Total capital funds	**3,57,462.27**	**2,11,969.45**
Total risk weighted assets/exposures	**12,98,903.04**	**8,52,620.24**
% of capital funds to risk weighted assets/exposures		
Tier I capital	26.94%	24.35%
Tier II capital	0.58%	0.51%
Total capital funds	**27.52%**	**24.86%**

Adjustment for credit enhancements towards securitisation transactions from Tier I and Tier II capital is capped at the lower of (a) 15% of securitised portfolio outstanding; and (b) outstanding credit enhancements, pursuant to Company's submission to RBI in this regard.

40.2 Fair Value

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Accounting Classifications and Fair Values

Quantitative Disclosures of Fair Value Measurement Hierarchy for Financial Instruments Measured at Fair Value as at March 31, 2024

Particulars	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Derivative financial instrument-Asset	31-Mar-24	-	33.21	-	**33.21**
Derivative financial instrument-Liability	31-Mar-24	-	1,163.90	-	**1,163.90**

Quantitative Disclosures of Fair Value Measurement Hierarchy for Financial Instruments Measured at Fair Value as at March 31, 2023

Particulars	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Derivative financial instrument-Asset	31-Mar-23	-	1,472.06	-	**1,472.06**
Derivative financial instrument-Liability	31-Mar-23	-	-	-	**-**

Notes

a) Derivative financial instruments are through FVOCI on account of Hedge Accounting

b) Derivatives are fair valued using observable foreign exchange rates and interest rates

Fair Value Hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market for example, derivative instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2024 and March 31, 2023.

40.3 Fair Value Measurement

Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are measured at amortised cost in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables and trade and other payables as on March 31, 2024 and March 31, 2023 approximate the fair value because of their short-term nature. Difference between carrying amount and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

As at March 31, 2024	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financials Assets					
Loans	12,39,664.91	-	-	12,66,681.92	12,66,681.92
Investments	26,988.35	24,314.56	-	2,673.79	26,988.35
Financials Liabilities					
Debt securities	3,05,343.64	-	-	3,03,093.42	3,03,093.42
Borrowings (other than debt securities)	7,03,133.72	-	-	7,02,622.30	7,02,622.30
Subordinated Liabilities	5,047.52			4,951.82	4,951.82

As at March 31, 2023	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financials Assets					
Loans	8,37,122.42	-	-	8,38,816.84	8,38,816.84
Investments	6,442.69	6,441.69	-	1.00	6,442.69
Financials Liabilities					
Debt securities	2,82,387.50	-	-	2,83,880.24	2,83,880.24
Borrowings (other than debt securities)	4,30,917.78	-	-	4,31,431.68	2,36,914.23
Subordinated Liabilities	7,707.35	-	-	7,571.33	7,571.33

Valuation Methodologies of Financial Instruments not Measured at Fair Value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Financial Assets at Amortised Cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

40.4 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Operational risk
- Liquidity risk
- Market risk (including interest rate risk)
- Foreign currency risk and
- Price risk

Risk Management Framework

Risk management forms an integral part of the Company’s business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company has established risk management and audit frameworks to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board and Senior Management through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for review, monitoring and providing oversight on management of risk of the Company.

(i) Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk management structure includes separate credit policies and procedures for the Company's business. The credit policies outline the type of products that can be offered, customer categories, the targeted customer profile, prudential limits, exceptional approval metrics etc. and the credit approval process and limits. Credit approvers and relationship managers are responsible for ensuring adherence to these policies. The Company has structured and standardised credit approval processes which include comprehensive credit risk assessment encompassing analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. The credit appraisal process includes identification of underlying risks, mitigating factors and residual risks associated with the customer.

Credit exposures are sanctioned based on delegation of credit authority as defined under credit policy. The Company measures, monitors and manages credit risk at an individual/portfolio level for education institute loans and at portfolio level for education loans. Periodic analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

During FY 2023-24, the Company has refreshed its ECL model considering the observed default data and calibrating its through-the-cycle (TTC) input of defaults for determining the Point-in-time (PIT) PD factor. Impact of such revisions has been incorporated in the ECL as at March 31, 2024.

The Company's current credit risk grading framework comprises the following categories

Category	Description	Basis for recognising expected credit
Stage 1	High quality assets	12 Month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit impaired asset	Lifetime ECL

The Key Elements in Calculation of ECL are as follows

PD - The Probability of Default 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 PD has been determined based on historical behaviour of the book and roll rates for retail loans.

EAD – The estimated credit exposure at point of default

LGD - The Loss Given Default 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, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

ii) Operational Risk

Operational risk is the risk of loss resulting from inadequate internal processes, people or systems, fraud, or from external events. The Company focuses on management and control of operational risks through a comprehensive system of internal controls and monitoring performance of each function against defined thresholds. Operational risk management comprisesidentification and assessment of risks and controls, new products and process approval framework, measurement throughoperational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

iii) Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-a-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy. The Company has ₹48,300 lakhs undrawn lines of credit as of March 31, 2024 as against ₹68,100 lakhs as of March 31, 2023, from its bankers for working capital requirements. The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to Liquidity Risk

The following are the details of the Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross and undiscounted.

Contractual Cash Flows (₹ in Lakhs)

March 31, 2024	Total	0 - 1 year	1 - 3 years	3 - 5 years	More than 5 years
Financial liabilities					
Derivative financial instruments	1,163.90	-	-	-	1,163.90
Trade payables	7,510.69	7,510.69	-	-	-
Debt securities	3,44,516.09	1,42,266.14	1,99,279.95	2,970.00	-
Borrowings (other than debt securities)	8,51,687.09	2,43,255.66	4,56,918.78	1,40,885.28	10,627.37
Subordinated liabilities	6,722.69	471.25	942.50	5,308.94	-
Other financial liabilities	42,501.74	32,370.84	160.33	-	9,970.57
Total	**12,55,266.10**	**4,25,874.58**	**6,57,301.56**	**1,49,164.22**	**22,925.74**
Financial Assets					
Derivative financial instruments	33.21	-	-	-	33.21
Cash and cash equivalents	1,27,579.33	1,27,579.33	-	-	-
Other bank balances	22,960.74	20,195.49	308.96	-	2,456.29
Loans	22,85,321.81	1,16,113.59	4,11,815.56	5,75,984.89	11,81,407.77
Investments	26,988.35	24,314.56	-	-	2,673.79
Trade receivables	919.38	919.38	-	-	-
Other financial assets	1,560.55	421.95	116.82	629.84	391.94
Total	**24,65,363.37**	**2,89,544.30**	**4,12,241.34**	**5,76,614.73**	**11,86,963.00**

Contractual Cash Flows (₹ in Lakhs)

March 31, 2023	Total	0 - 1 year	1 - 3 years	3 - 5 years	More than 5 years
Financial liabilities					
Trade payables	5,473.73	5,473.73	-	-	-
Debt securities	3,20,177.67	1,04,976.54	2,08,897.30	6,303.83	-
Borrowings (other than debt securities)	5,15,941.44	1,28,370.82	2,55,359.73	1,20,954.53	11,256.36
Subordinated liabilities	10,075.80	733.03	3,606.74	5,736.03	-
Other financial liabilities	30,538.23	14,527.18	116.48	-	15,894.57
Total	**8,82,206.87**	**2,54,081.30**	**4,67,980.25**	**1,32,994.39**	**27,150.93**
Financial Assets					
Derivative financial instruments	1,472.06	-	-	-	1,472.06
Cash and cash equivalents	78,706.59	78,706.59	-	-	-
Other bank balances	34,281.88	31,003.05	-	-	3,278.83
Loans	16,18,056.31	1,52,494.99	2,71,048.10	3,68,136.23	8,26,376.99
Investments	6,442.69	6,441.69	-	-	1.00
Trade receivables	832.98	832.98	-	-	-
Other financial assets	5,976.52	5,421.50	321.66	233.36	-
Total	**17,45,769.03**	**2,74,900.80**	**2,71,369.76**	**3,68,369.59**	**8,31,128.88**

The gross inflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities and financial assets held for risk management purposes and which are not usually closed out before contractual maturity.

iv) Market Risk (Interest Risk)

The Company is exposed to interest rate risk as it has assets and liabilities based on floating and fixed interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to Interest Rate Risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Fixed-rate instruments		
Term loans	22,585.47	79,793.85
Investment in treasury bill	24,314.56	6,441.69
Floating-rate instruments		
Term loans	12,17,079.44	7,57,553.06
Investment in mutual fund	-	-
Total	**12,63,979.47**	**8,43,788.60**
Financial liabilities		
Fixed-rate instruments		
Non convertible debentures	1,85,020.44	2,32,266.05
Subordinated liabilities	5,047.52	7,707.35
Commercial paper	-	-
Securitisation liabilities	12,552.83	27,394.62
Loan from Financial Institutions	10,006.12	903.49
Loan from Banks	-	610.43
External commercial borrowing	83,450.32	-
Floating-rate instruments		
Loan from Banks	5,73,369.29	3,71,531.13
Loan from Financial Institutions	8,769.68	14,179.50
Cash credit	1,628.72	-
Securitisation liabilities	3,834.85	5,406.92
External commercial borrowing	9,521.91	10,891.69
Non convertible debentures	1,20,323.20	50,121.45
Total	**10,13,524.88**	**7,21,012.63**

Fair Value Sensitivity Analysis for Floating-rate Instruments

The sensitivity analysis below has been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates. If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans				
Term loans	12,170.79	(12,170.79)	7,575.53	(7,575.53)
Floating rate borrowings				
Loan from Banks	(5,733.69)	5,733.69	(3,715.31)	3,715.31
Loan from Financial Institutions	(87.70)	87.70	(141.79)	141.79

Particulars	As at March 31, 2024		As at March 31, 2023	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Cash credit	(16.29)	16.29	-	-
Securitisation liabilities	(38.35)	38.35	(54.07)	54.07
External commercial borrowing	(95.22)	95.22	(108.92)	108.92
Non convertible debentures	(1,203.23)	1,203.23	(501.21)	501.21
	4,996.31	**(4,996.31)**	**3,054.23**	**(3,054.23)**

v) Foreign Currency Risk

The Company's Hedging Policy only allows for effective Hedging relationships to be considered as Hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the Hedged item and Hedging instrument. The Company enters into Hedge relationships where the critical terms of the Hedging instrument match with the terms of the Hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Cash Flow Hedge

The impact of the Hedging instrument and Hedged item on the balance sheet

Hedging Instrument

Disclosure of Effects of Hedge Accounting on Financial Position

(₹ in Lakhs)

Type of Hedge and risks	Nominal amount		Carrying amount of Hedging instruments		Maturity Date	Changes in fair value of Hedging instrument	Change in the value of Hegded item used as the basis for recognising Hedge effectiveness	Line in the balance sheet
	Assets	Liabilities	Assets	Liabilities				
Cash flow Hedge-Foreign exchange forward contracts (Cross currency interest rate swaps)								
March 31, 2024 ₹ USD-Cross currency swap		94,234.58	33.21	1,163.90	20 June 2030 26 December 2036	33.21	(11,170.93)	Derivative Financial Instruments
March 31, 2023 ₹ USD-Cross currency swap		10,013.14	1,472.06	-	20 June 2030	1,121.07	1,156.84	Derivative Financial Instruments

Disclosure of Effects of Hedge Accounting on Financial Performance

(₹ in Lakhs)

Type of Hedge	Change in the value of the Hedging instrument recognised in other comprehensive Income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow Hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow Hedge-Foreign exchange risk and interest rate risk				
March 31, 2024	(1,326.23)	-	-	-
March 31, 2023	284.12	-	-	-

(vi) Price Risk

The Company is not exposed to any other price risk.

41. The below Disclosures Required Pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as Amended

41.01 Disclosure requirements pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended-para 2 of Prudential Floor of ECL

Sunday, March 31, 2024 (₹ in Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	12,34,742.65	5,829.26	12,28,913.39	5,014.73	814.53
	Stage 2	12,002.17	2,863.35	9,138.82	672.26	2,191.09
Subtotal		**12,46,744.82**	**8,692.61**	**12,38,052.21**	**5,686.99**	**3,005.62**
Non-Performing Assets						
Substandard	Stage 3	2,695.17	1,284.29	1,410.88	269.52	1,014.77
Doubtful						
Upto 1 year	Stage 3	1,403.71	1,284.11	119.60	482.10	802.01
1 to 3 years	Stage 3	544.77	467.67	77.10	307.17	160.50
More than 3 years	Stage 3	663.74	658.62	5.12	358.06	300.56
Subtotal for doubtful		**2,612.22**	**2,410.40**	**201.82**	**1,147.33**	**1,263.07**
Loss Assets	Stage 3	16.08	16.08	-	16.08	-
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	12,34,742.65	5,829.26	12,28,913.39	5,014.73	814.53
	Stage 2	12,002.17	2,863.35	9,138.82	672.26	2,191.09
	Stage 3	5,323.47	3,710.77	1,612.70	1,432.93	2,277.84
		12,52,068.29	**12,403.38**	**12,39,664.91**	**7,119.92**	**5,283.46**

Friday, March 31, 2024 (₹ in Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard	Stage 1	8,21,617.88	1,845.43	8,19,772.45	3,287.37	(1,441.94)
	Stage 2	20,024.63	4,123.08	15,901.55	80.10	4,042.98
Subtotal		**8,41,642.51**	**5,968.51**	**8,35,674.00**	**3,367.47**	**2,601.04**
Non-Performing Assets						
Substandard	Stage 3	2,481.16	1,329.21	1,151.95	248.12	1,081.09

March 31, 2024 (₹ in Lakhs)

Asset Classification as per RBI Norms	Asset Classification as per RBI Norms	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
Doubtful						
Upto 1 year	Stage 3	838.03	666.90	171.13	270.77	396.13
1 to 3 years	Stage 3	1,274.79	1,189.15	85.64	563.94	625.21
More than 3 years	Stage 3	127.23	87.53	39.70	91.34	(3.81)
Subtotal for doubtful		**2,240.05**	**1,943.58**	**296.46**	**926.05**	**1,017.53**
Loss Assets	Stage 3	-	-	-	-	-
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	8,21,617.88	1,845.43	8,19,772.45	3,287.37	(1,441.94)
	Stage 2	20,024.63	4,123.08	15,901.55	80.10	4,042.98
	Stage 3	4,721.21	3,272.79	1,448.42	1,174.17	2,098.62
		8,46,363.72	**9,241.30**	**8,37,122.42**	**4,541.64**	**4,699.66**

Notes :

a. The Company has made provision for expected credit loss as per the requirements of the Indian Accounting Standards which is higher than that required by the aforesaid RBI circular.

41.02 Disclosure Requirements Pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as Amended Pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies

Qualitative Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a global minimum standard to measure the liquidity position in a stress scenario. LCR will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. HQLA refers to the category of liquid assets that can be readily sold or immediately converted into cash at a little loss of value or used as collateral to obtain funds in a range of stress scenarios. LCR is calculated by dividing the stock of HQLA by its total net cash outflow over a 30 day calendar period. The Company has adopted the liquidity risk management framework as required under RBI guidelines. It ensures a sound and robust liquidity risk management system by maintaining sufficient liquidity through inclusion of a cushion of unencumbered, HQLA's to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee. The LCR is calculated by dividing Company's stock of HQLA by it's total net cash outflows over a 30 day stress period. The guidelines for LCR were effective from 1st December 2020 with the minimum LCR to be 30%, progressively increasing, till it reaches the required level of 100% by 1st December, 2024 as follows

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	50%	60%	70%	85%	100%

In order to determine HQLA, the Company considers Cash and Bank Balances, Investment in Treasury bills without any haircut. In order to determine net cash outflows, the Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per guidelines, stressed cash flows is to be computed by assigning a predefined stress percentages to the overall cash outflows (i.e. 115%) and cash inflows (with haircut of 25%). Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows, 75% of stressed outflow. Accordingly, LCR would be computed by dividing the Company's stock of HQLA by it's total net cash outflow. Cash outflow under secured wholesale funding includes contractual obligations under Term loans, NCDs, Interest payable within 30 days. Outflow under other collateral requirement, the Company considers the loans which are callable under rating downgrade trigger up to and including 3 notch downgrade. Outflow under other contractual funding obligations primarily includes outflow on account of overdrawn balances with Banks and sundry payables. In order to determine Inflow from fully performing exposures, The Company considers the contractual repayments from performing advances in next 30 days. Other Cash inflows includes investments in liquid mutual funds, and other assets which are maturing within 30 days.

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2024 is given below

(₹ in Lakhs)

Assets	Quarter ended 31-Mar-24		Quarter ended 31-Dec-23		Quarter ended 30-Sep-23		Quarter ended 30-Jun-23	
	Unweighted value-average	Weighted value-average	Unweighted value-average	Weighted value-average	Unweighted value-average	Weighted value-average	Unweighted value-average	Weighted value-average
High quality liquid assets								
1. Total high quality liquid assets	**47,578.22**	**47,578.22**	**59,719.87**	**59,719.87**	**48,755.34**	**48,755.34**	**30,419.90**	**30,419.90**
(i) Cash & Bank balances	24,394.22	24,394.22	34,165.45	34,165.45	37,788.12	37,788.12	17,260.24	17,260.24
(ii) Investment in T-Bills	23,184.00	23,184.00	25,554.42	25,554.42	10,967.22	10,967.22	13,159.66	13,159.66
(iii) Investment in Mutual Fund	-	-	-	-	-	-	-	-
Cash outflows								
2. Deposits(for deposit taking	-	-	-	-	-	-	-	-
companies)		-	-	-	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-	-	-	-	-
4. Secured wholesale funding	-	-	-	-	-	-	-	-
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements**	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities								
6. Other contractual funding obligations	39,457.80	45,376.47	25,300.74	29,095.85	23,251.75	26,739.52	47,437.20	54,552.78
7. Other contingent funding obligations	6,514.35	7,491.50	5,880.44	6,762.51	5,354.30	6,157.45	20,000.00	23,000.00
Total cash outflows	**45,972.15**	**52,867.97**	**31,181.18**	**35,858.36**	**28,606.05**	**32,896.97**	**67,437.20**	**77,552.78**
Cash inflows								
8. Secured Lending	-	-	-	-	-	-	-	-
9. Inflows from fully performing exposures	21,484.08	16,113.06	29,984.58	22,488.43	31,824.72	23,868.54	27,423.91	20,567.94
10. Other cash inflows	50,081.16	37,560.87	57,693.99	43,270.49	25,645.03	19,233.77	68,088.57	51,066.43
Total cash inflows	**71,565.24**	**53,673.93**	**87,678.57**	**65,758.92**	**57,469.75**	**43,102.31**	**95,512.48**	**71,634.37**
	Total adjusted value		**Total adjusted value**		**Total adjusted value**		**Total adjusted value**	
Total HQLA	**47,578.22**		**59,719.87**		**48,755.34**		**30,419.00**	
Total Net Cash Outflows	**13,216.99**		**8,964.59**		**8,224.24**		**19,388.20**	
Liquidity Coverage Ratio (%)	**359.98%**		**666.18%**		**592.82%**		**156.90%**	

Note : The Figures above are Excluding Interest

Quantitative Disclosure on Liquidity Coverage Ratio (LCR) for year ended March 31, 2023 is given below:

Assets	Quarter ended 31-Mar-23		Quarter ended 31-Dec-22		Quarter ended 30-Sep-22		Quarter ended 30-Jun-22	
	Unweighted value-average	Weighted value-average	Unweighted value-average	Weighted value-average	Unweighted value-average	Weighted value-average	Unweighted value-average	Weighted value-average
High quality liquid assets								
1. Total high quality liquid assets	**31,114.99**	**31,114.99**	**23,850.15**	**23,850.15**	**19,975.95**	**19,975.95**	**12,784.46**	**12,784.46**
(i) Cash & Bank balances	24,054.33	24,054.33	19,231.82	19,231.82	18,447.35	18,447.35	11,507.58	11,507.58
(ii) Investment in T-Bills	7,060.66	7,060.66	4,618.33	4,618.33	1,528.60	1,528.60	1,276.88	1,276.88
(iii) Investment in Mutual Fund	-	-	-	-	-	-	-	-
Cash outflows								
2. Deposits(for deposit taking	-	-	-	-	-	-	-	-
companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-	-	-	-	-
4. Secured wholesale funding	-	-	-	-	-	-	-	-
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative	-	-	-	-	-	-	-	-
exposures and other collateral	-	-	-	-	-	-	-	-
requirements**								
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities								
6. Other contractual funding obligations	22,515.21	25,892.49	20,669.43	23,769.84	23,705.15	27,260.92	35,573.20	40,909.18
7. Other contingent funding obligations	44,554.64	51,237.84	33,331.36	38,331.06	2,107.13	2,423.20	2,217.31	2,549.91
Total cash outflows	**67,069.85**	**77,130.33**	**54,000.79**	**62,100.90**	**25,812.28**	**29,684.12**	**37,790.51**	**43,459.09**
Cash inflows								
8. Secured Lending	-	-	-	-	-	-	-	-
9. Inflows from fully performing	26,428.95	19,821.71	22,180.68	16,635.51	18,749.22	14,061.92	13,609.70	10,207.28
exposures					1,76,571.16			
10. Other cash inflows	48,695.06	36,521.30	36,732.87	27,549.65	**1,95,320.38**	1,32,428.37	59,192.67	44,394.50
Total cash inflows	**75,124.01**	**56,343.01**	**58,913.55**	**44,185.16**		**1,46,490.29**	**72,802.37**	**54,601.78**
	Total adjusted value		**Total adjusted value**		**Total adjusted value**		**Total adjusted value**	
Total HQLA		**31,114.99**		**23,850.15**		**19,975.95**		**12,784.46**
Total Net Cash Outflows		**20,787.32**		**17,915.74**		**7,421.03**		**10,864.77**
Liquidity Coverage Ratio (%)		**149.68%**		**133.12%**		**269.18%**		**117.67%**

41.03 Capital Risk Adequacy Ratio (CRAR):

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Funds		
Net owned funds (Tier I Capital)	3,49,860.13	2,07,649.82
Tier II Capital	7,602.14	4,319.63
Total capital funds	3,57,462.27	2,11,969.45
Total risk weighted assets / exposures	12,98,903.04	8,52,620.24
% of capital funds to risk weighted assets / exposures		
Tier I capital	26.94%	24.35%
Tier II capital	0.58%	0.51%
Total capital funds	27.52%	24.86%
Amount of subordinated debt	3,000.00	4,000.00
Amount raised by issue of Perpetual Debt Instruments	-	-

Adjustment for credit enhancements towards securitisation transactions from Tier I and Tier II capital is capped at the lower of (a) 15% of securitised portfolio outstanding; and (b) outstanding credit enhancements, pursuant to Company's submission to RBI in this regard.

41.04 Exposures

(₹ in Lakhs)

I	Exposure to Real Estate Sector	As at March 31, 2024	As at March 31, 2023
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; (Individual housing loans up to ₹15 lakh may be shown separately)	56,470.14	41,253.85
(ii)	**Commercial Real Estate-**	-	-
	Lending secured by mortgages on commercial real estates (office buildings, retail 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 securitised exposures-**		
	a) Residential,	-	-
	b) Commercial Real Estate.	-	-
b)	**Indirect Exposure**		
	Fund based and non fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)		
	Total Exposure to Real Estate	**56,470.14**	**41,253.85**

Note: In line with RBI Circular dated September 9, 2009 on Classification of Exposure as Commercial Real Estate (CRE) by Banks, an exposure would be classified as 'CRE' only if the repayment of loan is dependent on the cash flows generated from real estate asset (e.g. rentals/sales proceeds). However, the primary source of repayments in case of Education Institution Loans and Loans Against Property are the cash flows generated from business operations (e.g. Tuition Fees/School Fees/Business income etc.) and not from rentals/sale proceeds. Hence, such exposures shall not be categorised as 'CRE' and accordingly relevant disclosure is being reflected and reported as 'NIL'.

(₹ in Lakhs)

II	Exposure to Capital Market	As at March 31, 2024	As at March 31, 2023
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-

(₹ in Lakhs)

II	Exposure to Capital Market	As at March 31, 2024	As at March 31, 2023
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;loans sanctioned to	-	-
(vi)	Corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary Issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
(ix)	Financing to stockbrokers for margin trading		
(x)	All exposures to Alternative Investment Funds (i) Category I (ii) Category II (iii) Category III	-	-
(xi)	All exposures to Venture Capital Funds (both registered and unregistered)		
(xii)	Others (not covered above)	-	-
	Total Exposure to Capital Market		

(₹ in Lakhs)

III	Details of financing of parent company products	As at March 31, 2024	As at March 31, 2023
IV	Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC	-	-
V	Unsecured Advances	9,29,462.48	6,12,786.40
	There are no advances against intangible assets	-	-
VI	Intra-group exposures		
	i) Total amount of intra-group exposures* ii) Total	2,788.14	41.85
	amount of top 20 intra-group exposures iii)	2,788.14	41.85
	Percentage of intra-group exposures to total exposures of the NBFC on borrower/customer	0.22%	0.00%
	*Exposure includes investment made in wholly owned subsidiary and Other receivables there of		
VII	Unhedged foreign currency exposure For details refer to note 2.13	-	-

41.05 Divergence In Asset Classification And Provisioning - Disclosure Pursuant To Reserve Bank Of India (Scale Based Regulation) RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023, Dated October 19, 2023.

The following able sets forth, for the period indicated, details of divergence in the asset classification and provisioning as per RBI's supervisory process for the year ended March 31, 2022.

No.		(₹ in Lakhs)
1	Gross NPAs as on March 31, 2022 as reported by Company	6,189.88
2	Gross NPAs as on March 31, 2022 as assessed by the Reserve Bank of India	7,025.45
3	Divergence in Gross NPAs (2-1)	835.57
4	Net NPAs as on March 31, 2022 as reported by Company	2,518.81
5	Net NPAs as on March 31, 2022 as assessed by the Reserve Bank of India	2,975.12
6	Divergence in Net NPAs (5-4)	456.31
7	Provisions for NPAs as on March 31, 2022 as reported by the Company	3,671.07
8	Provisions for NPAs as on March 31, 2022 as assessed by Reserve Bank of India	3,671.07
9	Divergence in provisioning (8-7)	-
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2022	10,454.15
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2022	6,320.58
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning	6,320.58

41.06 Derivatives

(₹ in Lakhs)

Cross Currency rate swap	As at March 31, 2024	As at March 31, 2023
The notional principal of swap agreements	94,234.58	10,013.14
Losses which would be incurred if counterparties failed to fulfil their obiligations under the agreements	612.11	1,156.84
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps*	100.00%	100.00%
The fair value of the swap book	94,846.69	11,169.98
* % of concentration of credit risk arising from swaps with banks		

*% of concentration of credit risk arising from swaps with banks

Exchange Traded Interest Rate Derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

Disclosures on Risk Exposure in Derivatives
Qualitative Disclosure

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for Hedging fixed rate, floating rate or foreign currency assets/liabilities and for Hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

Quantitative Disclosure

Particulars	As at March 31, 2024		As at March 31, 2023	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (notional principal amount)				
For Hedging	94,234.58	-	10,013.14	-
Marked to market positions				
Assets (+)	33.21	-	1,472.06	-
Liability (-)	1,163.90	-	-	-
Credit exposure	-	-	-	-
Unhedged exposures	-	-	-	-

Participation in currency futures and options

The Company has not undertaken any transaction during the current year and previous year for currency futures and currency options.

41.07 Asset Liability Management Maturity Pattern of Certain Items of Assets and Liabilities

Particulars	0 to 7 days	8 to 14 days	15 days to 1 month	Over 1 month upto 2 months	Over 2 months upta 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
Liabilities **Borrowing from Banks/FIs**	2,988.31 (167.83)	634.74 (116.50)	6,366.15 (2,557.96)	5,148.61 (5,256.23)	20,284.72 (13,694.56)	34,378.97 (24,867.65)	1,03,882.86 (54,917.19)	2,93,389.83 (1,89,904.29)	1,24,586.04 (92,803.66)	2,113.58 (2,938.68)	5,93,773.81 (3,87,224.55)
Market Borrowings	- -	- -	902.30 (8,036.97)	22,645.76 (2,025.81)	23,932.91 (6,336.85)	5,513.68 (48,293.36)	82,568.67 (47,181.03)	1,82,091.21 (1,94,208.75)	8,764.10 (15,665.31)	360.21 (1,148.31)	3,26,778.84 (3,22,896.39)
Deposits#	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- -
Foreign currency liabilities	- -	- -	- -	- -	703.59 (374.55)	489.55 (345.28)	777.94 (690.56)	87,622.10 (2,762.25)	3,111.75 (2,762.25)	267.30 (3,956.80)	92,972.23 (10,891.69)
Assets **Loans**	5,681.49 (9,867.47)	12,846.45 (4,933.74)	2,956.15 (11,627.75)	18,863.57 (18,754.59)	18,838.55 (17,969.90)	56,445.25 (49,099.69)	1,10,443.95 (73,369.03)	5,25,885.04 (3,32,709.69)	4,46,356.01 (1,64,856.57)	41,348.45 (1,53,934.00)	12,39,664.91 (8,37,122.42)
Investments	4,996.24 (-)	3,985.27 (-)	- (2,985.49)	9,912.97 (994.08)	4,935.35 (1,972.88)	484.73 (489.24)	- (-)	- (-)	- (-)	2,673.79 (1.00)	26,988.35 (6,442.69)
Foreign currency assets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- -

(Previous years figures are denoted in brackets).

This pertains to inter corporate deposits

Notes:

a) Information on maturity pattern of advances for which there are no specified repayment terms are based on the reasonable assumptions.

b) The above statement includes only certain items of assets and liabilities and therefore does not reflect the complete asset liability maturity pattern of the Company.

c) Above maturity pattern is after considering the impact of Moratorium benefit extended by the Company to the customers, if any.

41.08 Particulars (₹ in Lakhs)

	Liabilities side	Amount outstanding	Amount overdue
(I)	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**		
(a)	Debentures		
	(i) Secured	3,05,343.64 (2,82,387.50)	- (-)
	(ii) Unsecured (other than falling within the meaning of public deposits)	- (-)	- (-)
(b)	Deferred Credits	- (-)	- (-)
(c)	Term Loans	5,92,145.09 (3,87,224.55)	- (-)
(d)	Inter-corporate loans and borrowing	- (-)	- (-)
(e)	Subordinated Liabilities	5,047.52 (7,707.35)	- (-)
(f)	Commercial Paper (net of unamortised discount)	- (-)	- (-)
(g)	Other Loans (Please Specify)		
	External commercial borrowing	92,972.23 (10,891.69)	- (-)
	Cash Credits	1,628.72 (-)	- (-)
	Securtisation borrowing	16,387.68 (32,801.54)	- (-)

Note : Figures in bracket represents numbers pertaining to previous year

Particulars

	Assets side	Amount outstanding
(II)	**Break up of Loans and Advances including bills receivables (other than those included in (IV) below):**	
(a)	Secured	3,22,605.81 (2,33,577.32)
(b)	Unsecured	9,29,462.48 (6,12,786.40)
(III)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:**	
(a)	Lease assets including lease rentals under sundry debtors:	
	(i) Financial Lease	- (-)
	(ii) Operating Lease	- (-)
(b)	Stock on hire including hire charges under sundry debtors:	
	(i) Assets on hire	- (-)
	(ii) Repossessed Assets	- (-)
(c)	Other loans counting towards AFC activities:	
	(i) Loans where assets have been repossessed	- (-)
	(ii) Loans other than (a) above	- (-)

	Particulars Assets side	Amount outstanding
(IV)	**Break – up of Investments:**	
(a)	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)	- (-)
	2. Unquoted:	
	(i) Shares:	
	(a) Equity	- (-)
	(b) Preference	- (-)
	(ii) Debentures and Bonds	- (-)
	(iii) Units of Mutual Funds	- (-)
	(iv) Government Securities	- (-)
	(v) Treasury Bills	24,314.56 (6,441.69)
	(vi) Others (Please Specify)	-
(b)	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	2,673.79 (1.0)
	(b) Preference	-

	Particulars	Amount outstanding		
	Assets side			
	(ii) Debentures and Bonds			- (-)
	(iii) Units of Mutual Funds			- (-)
	(iv) Government Securities			- (-)
	(v) Others			- (-)
(V)	**Borrower group – wise classification of assets financed as in (II) and (III) above:**			(₹ in Lakhs)
		Amount net of provisions		
	Category	Secured	Unsecured	Total
	Related Parties			
(a)	(i) Subsidiaries	- (-)	- (-)	- (-)
	(ii) Companies in the same group	- (-)	- (-)	- (-)
	(iii) Other related parties	- (-)	- (-)	- (-)
(b)	Other than related parties	3,16,494.31 (2,22,862.30)	9,23,170.60 (6,14,260.12)	12,39,664.91 (8,37,122.42)
(VI)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**		Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)
	Category			
(a)	Related Parties			
	(i) Subsidiaries		2,673.79 (1)	2,673.79 (1)
	(ii) Companies in the same group			
	(iii) Other related parties		- (-)	- (-)
(b)	Other than related parties		24,314.56 (6,441.69)	24,314.56 (6,441.69)
			26,988.35 (6,442.69)	**26,988.35** (6,442.69)
(VII)	**Other Information:**			
	Particulars			**₹ in Lakhs**
(a)	Gross Non – Performing Assets			
	(i) Related Parties			- (-)
	(ii) Other than related parties			5,323.47 (4,721.21)
(b)	Net Non – Performing Assets			
	(i) Related Parties			- (-)
	(ii) Other than related parties			1,612.70 (1,448.42)
(c)	Assets acquired in satisfaction of debt			- (-)

(Previous years figures are denoted in brackets)
Notes :
1. Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
2. All accounting standards and guidance notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.
3. In respect of investment in property, fair value has been taken on account of amalgamation. Bond and quoted equity shares have been valued as per prevailing market standards
The figures are not netted with provision against standard assets as it is not a specific provision.

41.09 Disclosure Pursuant to Resolution Framework for COVID-19 related stress

41.09(i) Disclosure pursuant to RBI Circular DOR.NO.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 pertaining to resolution framework for Covid-19-related stress read with RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 pursuant to Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and disclosure pursuant to Reserve Bank Of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048 /2021-22 dated May 05, 2021 pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of individuals and small businesses.

For Half Year Ended March 31, 2024

(₹ in Lakhs)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous Half year end 30th September 2023(A)	Of (A), aggregate debt that slipped into NPA during the half-year ended 31st March 2024	Of (A), aggregate debt that were written off during the half-year ended 31st March 2024	Of (A) amount paid by the borrowers during the half-year ended 31st March 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end the half-year ended 31st March 2024
Personal Loans	3,842.29	92.79	3.45	381.29	3,364.76
Corporate Persons*	7,670.87	918.40	93.66	1,614.86	5,043.94
-of which MSMEs**	-	-	-	-	-
Others	-	-	-	-	-
Total	**11,513.16**	**1,011.19**	**97.11**	**1,996.15**	**8,408.71**

For Half Year Ended March 31, 2024

(₹ in Lakhs)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous Half year end 30th September 2023(A)	Of (A), aggregate debt that slipped into NPA during the half-year ended 31st March 2024	Of (A), aggregate debt that were written off during the half-year ended 31st March 2024	Of (A) amount paid by the borrowers during the half-year ended 31st March 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end the half-year ended 31st March 2024
Personal Loans	5,477.47	62.86	-	887.44	4,527.17
Corporate Persons*	10,745.64	211.88	-	1,019.06	9,514.70
-of which MSMEs**	-	-	-	-	-
Others	-	-	-	-	-
Total	**16,223.11**	**274.74**	**-**	**1,906.50**	**14,041.87**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
** MSME loans comprise of loans given to certain borrower class based on the assessment performed by the Management, which includes financial information, business purpose etc of the borrower.

41.09 (ii) Disclosure pursuant to RBI circular Resolution Framework - 2.0: Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) – Revision in the threshold for aggregate exposure issued vide circular no. RBI/2021-22/47 DOR.STR. REC.21/21.04.048/2021-22 dated June 04, 2021 read with circular RBI/2018-19/100 DBR.No.BPBC.18/21.04.048/2018-19 dated January 01, 2019.
There are no MSME borrowers during the current and previous year whose accounts have been restructured pursuant to the above RBI circular.
41.10 Details of outstanding amount of securitised assets as per books of the SPVs sponsored by the Company and the total amount of exposures retained by the Company as on March 31, 2023 towards the Minimum Retention Requirements MRR):

(a) Disclosure for Non STC Securitisation Transaction (STC - Simple, transparent, and comparable)

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	4	6
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	**26,791.14**	**43,394.52**
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	7,144.97	8,756.67
a	Off balance sheet exposures	-	-
	* First Loss	-	-
	* Others		
b	On Balance sheet exposures	**7,144.97**	**8,756.67**
	* First Loss	2,456.29	3,051.61
	* Others	4,688.68	5,705.06
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	**177.45**	**453.55**
	i) Exposure to own securitisations	177.45	453.55
	* First loss	177.45	453.55
	* Others		
	ii) Exposure to third party securitisations		
	* First loss		
	* Others		
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	8,503.43
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	140.48	52.60
7	Performance of facility provided		
a	Amount paid	-	-
b	Repayment received	-	-
c	Outstanding amount	2,456.29	3,051.61
8	Average default rate of portfolios observed in the past	0.84%	0.57%
9	Amount and number of additional/top up loan given on same underlying asset		
a	Amount	-	-
b	Number	-	-
10	Investor complaints	-	-
a	Directly/Indirectly received - Count	-	-
	Directly/Indirectly received - Amount	-	-
b	Complaints outstanding - Count	-	-
	Complaints outstanding - Amount		

(b) Disclosure relating to securitisation pursuant to Reserve Bank of India notification RBI/DOR/2021-22/85 DOR

41.11 Details of Transfer Through Assignment/Co-lending in Respect of Loans (Not in Default)

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	No. of accounts	2,977	537
2	Amount of loans transferred through assignment/co-lending	76,418	18,789
3	Retention of beneficial economic interest	18.58%	15.49%
4	Weighted average residual maturity	110 months	108 months
5	Weighted average holding period	18 months	16 months
6	Aggregate consideration received	76,418	18,789
7	Coverage of tangible security cover	100.00%	100.00%
8	Rating wise distribution of rated loans	Unrated	Unrated

Note: The company has not sold any loans to asset reconstruction company during the year ended March 31, 2023 and March 31, 2024

41.12 Details of Loans (Not in Default) Acquired through Assignment

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Number of accounts	2,440	-
2	Amount of loans acquired through assignment	13,694	-
3	Retention of beneficial economic interest	83.28%	-
4	Weighted average residual maturity	108 months	-
5	Weighted average holding period	1 month	-
6	Aggregate consideration paid	13,694	-
7	Coverage of tangible security cover	100.00%	-
8	Rating wise distribution of rated loans	Unrated	-

41.13 Details of Non-Performing Financial Assets Sold by the Company

During FY 2023-24 and FY 2022-23, no Non-Performing Financial Assets has been Sold by the Company.

41.14 Details of Non-Performing Financial Assets Purchased/Acquired by the Company

During FY 2023-24 and FY 2022-23, no Non-Performing Financial Assets has been Purchased by the Company.

41.15 Security Receipts (SRs) Rating for the Transactions During the Year

No Transactions were Done during FY 2023-24 and FY 2022-23, Hence this Disclsoure is not Applicable.

41.16 Total Fixed Deposits Stands at ₹2,630.76 Lakhs (FY 2022-23 ₹3,278.78 lakhs) on Account of Securitisation Transaction Outstanding till March 31, 2024.

41.17 Investments

(₹ in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
(a)	**Value of Investments**		
(i)	Gross Value of Investments		
	(a) in India	26,988.35	6,442.69
	(b) outside India	-	-
(ii)	Provision for depreciation		
	(a) in India	-	-
	(b) outside India	-	-
(iii)	Net Value of Investments		
	(a) in India	26,988.35	6,442.69
	(b) outside India		
(b)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balances	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

41.18 Additional & Miscellaneous Disclosures:

(I) Registration Obtained from Other Financial Sector Regulators

Company has not registered with other financial sector regulators except with Insurance Regulatory and Development Authority of India (IRDAI)

(II) There are no Penalties Imposed by RBI and Other Regulators for the Year Ended March 31, 2024 and March 31, 2023

(III) Ratings Assigned by Credit Rating Agencies and Migration of Ratings During the Year:

FY 2023-24

Rating particulars	Date of rating	Rating Agency	Rating assigned
Short Term Debt Programme			
Commercial Paper	15-11-2023	ICRA Limited	ICRA A1+
	29-02-2024	CARE Limited	CARE A1+
Long Term Debt Programme			
Non-Convertible Debentures	15-01-2024	Brickwork Ratings India Pvt. Ltd.	BWR AA-/Stable
	29-02-2024	CARE Limited	CARE AA-/Stable
Market Linked Debentures	29-02-2024	CARE Limited	CARE PP-MLD AA-/Stable
Loan Facility	29-02-2024	CARE Limited	CARE AA-/Stable

FY 2022-23

Rating particulars	Date of rating	Rating Agency	Rating assigned
Short Term Debt Programme			
Commercial Paper	01-11-2022	CARE Limited	CARE A1+
Long Term Debt Programme			
Non-Convertible Debentures	27-10-2022	Brickwork Ratings India Pvt. Ltd.	BWR A+
	01-11-2022	CARE Limited	CARE A+
Loan Facility	01-11-2022	CARE Limited	CARE A+

Note : There is a change in the Credit Rating assigned during the year

(IV) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:

There are no prior period items and changes in accounting policies impacting net profit for the year.

(V) Revenue Recognition:

Revenue Recognition has not been postponed on account of pending resolution of significant uncertainties in respect of any revenue streams of the Company.

(V) Details of Transaction with Non Executive Directors - ₹ Nil (Previous year - ₹ Nil)

Non-Executive Directors have no pecuniary relationship with the Company, except receiving sitting fees for the meetings attended.

(VI) Provisions and Contingencies

(₹ in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head expenses in the Statement of Profit and Loss	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Provision towards NPA / ECL stage 3	437.98	(398.28)
Provision made towards Income tax	9,973.66	5,727.94
Other Provision and Contingencies (with details)	-	-
Provision for standard assets / ECL stage 1 & stage 2	2,724.10	2,236.34
*Other provisions and contingencies		
Provision for gratuity expense	117.46	109.13
Provision for compensated absences	156.81	92.80
Provision for ESOP	747.90	490.24
Total	**14,157.91**	**8,258.16**

(VII) Draw Down from Reserves	Nil	Nil
(VIIi) Disclose of all Instances of Breach of Covenant of Loan Availed or Debt Securities Issued.	Nil	Nil

(VIIii) Disclosure on Frauds Pursuant to RBI Master Direction

The frauds detected and reported for the year amounted ₹90.31 lakhs (Previous year ₹ Nil)

(VIII) Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits (for Deposit taking NBFCs)

(₹ in Lakhs)

Total Deposits of twenty largest depositors (₹ in lakhs)	NA	NA
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	NA	NA

(b) Concentration of Advances

(₹ in Lakhs)

Total advances to twenty largest borrowers (₹ in lakhs)	14,639.65	12,626.34
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC	1.17%	1.49%

(c) Concentration of Exposures

(₹ in Lakhs)

Total exposure to twenty largest borrowers / customers (₹ in lakhs)	15,825.45	12,677.39
Percentage of Exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	1.17%	1.37%

(d) Concentration of NPAs

(₹ in Lakhs)

Total exposure to top four NPA accounts (₹ in lakhs)	2,346.71	1,399.19

(e) Percentage of NPAs to Total Advances in that Sector

Sector	As at March 31, 2024	As at March 31, 2023
Agriculture & allied activities	-	-
MSME	1.78%	2.00%
Corporate borrowers	0.00%	0.00%
Services	-	-
Unsecured personal loans	2.02%	0.23%
Auto loans	-	-
Other personal loans*	0.10%	0.20%

*Includes Other Personal Loans such as Education Loans and Loan Against Property

(IX)

(₹ in Lakhs)

	Movement of NPAs	As at March 31, 2024	As at March 31, 2023
(i)	Net NPAs to Net Advances (%)	0.13%	0.17%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	4,721.21	6,189.88
	(b) Additions during the year	5,594.86	2,502.25
	(c) Reductions during the year	(4,992.60)	(3,970.92)
	(d) Closing balance	5,323.47	4,721.21
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,448.42	2,518.80
	(b) Additions during the year	1,179.92	(49.02)
	(c) Reductions during the year	(1,015.64)	(1,021.36)
	(d) Closing balance	1,612.71	1,448.42
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	3,272.79	3,671.08
	(b) Provisions made during the year	4,414.94	2,551.27
	(c) Write-off / write-back of excess provisions	(3,976.96)	(2,949.56)
	(d) Closing balance	3,710.77	3,272.79

(X) Disclosure of Customers Complaints

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
1	Number of complaints pending at beginning of the year	51	1
2	Number of complaints received during the year	2,922	861
3	Number of complaints disposed during the year	2,826	811
3.1	Of which, number of complaints rejected by the NBFC	179	47
4	Number of complaints pending at the end of the year	147	51

Maintainable Complaints Received by the NBFC from Office of Ombudsman

Sr No	Particulars	As at March 31, 2024	As at March 31, 2023
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman*	364	145
5.1	Number of complaints resolved in favour of the NBFC by Office of Ombudsman	350	133
5.2	Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	8	4
5.3	Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

*Includes 6 Complaints Resolved by Office of Ombudsman in the Month of Apr'23 in the Favour of the NBFC.

Top Five Grounds of Complaints Received by NBFCs

As at March 31, 2024

Grounds of complaints, (i.e.complaints relating to)	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 days
1	2	3	4	5	6
Credit Cards	-	-	-	-	-
Difficulty in operation of accounts	-	-	-	-	-
Mis-selling					
Recovery Agents/Direct Sales Agents	-	-	-	-	-
Loans and advances	-	-	-	-	-
Levy of charges without prior notice / excessive charges / foreclosure charges	-	-	-	-	-
Non-observance of fair practices code	-	-	-	-	-
Staff behaviour					
Facilities for customers visiting the ofice / adherence to prescribed working hours, etc.	-	-	-	-	-
Others	-	-	-	-	-
Part Payment / Foreclosure	14	960	427%	27	-
Loan Application Related	6	360	200%	4	-
EMI Management	10	436	286%	18	-
Fees and Charges / Refunds	5	268	171%	7	-
Loan Account Related	4	184	104%	8	-
Others	12	714	178%	32	1
Total	**51**	**2,922**	**239%**	**96**	**1**

As at March 31, 2023

Grounds of complaints, (i.e.complaints relating to)	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 days
1	2	3	4	5	6
Credit Cards	-	-	-	-	-
Difficulty in operation of accounts	-	-	-	-	-
Mis-selling					
Recovery Agents/Direct Sales Agents	-	-	-	-	-
Loans and advances	-	-	-	-	-
Levy of charges without prior notice / excessive charges / foreclosure charges	-	-	-	-	-
Non-observance of fair practices code	-	-	-	-	-
Staff behaviour					
Facilities for customers visiting the ofice / adherence to prescribed working hours, etc.	-	-	-	-	-
Others	-	-	-	-	-
Part Payment / Foreclosure	-	182	628%	14	-
Loan Application Related	-	120	5,900%	6	-
EMI Management	-	113	528%	10	-
Fees and Charges / Refunds	-	99	395%	5	-
Loan Account Related	-	90	800%	4	-
Others	1	257	1,506%	12	1
Total	**1**	**861**	**752%**	**51**	**1**

(XI)(i) Overseas Assets (For those with Joint Ventures and Subsidiaries Abroad)

There are no overseas asset owned by the Company.

(XI)(ii) Off-Balance Sheet SPVs Sponsored

The Company is now required to provide its financial statements under Ind AS, which requires all securitisation related SPV's to be consolidated in the books of the originator (the Company). Accordingly, these SPV's stand consolidated and none of the SPV's sponsored are off-balance sheet.

(₹ in Lakhs)

(XI)(iii)	Off balancesheet exposure	March 31, 2024	March 31, 2023
a	Undrawn commitments		
	Loan tenure less than one yearr	-	-
	Loan tenure more than one year	1,05,841.09	79,554.6
b	Leases entered but not executed	-	-
c	Others	1,057.00	169.74

(XI)(ii) Consolidated Financial Statements (CFS)

The Company has consolidated financial statement of its all the underlying subsidiaries.

(XII) (Disclosure Requirements as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (as Amended) Regarding Guidelines on Liquidity Risk Management Framework)

(a) Funding Concentration Based on Significant Counterparty (Both Deposits and Borrowings)

As at March 31, 2024

Sr. No.	Number of significant counterparties	Rupees in Lakhs	% of Total Deposits	% of Total Liabilities
1	24	7,59,786.51	Not Applicable	71.23%

As at March 31, 2023

Sr. No.	Number of significant counterparties	Rupees in Lakhs	% of Total Deposits	% of Total Liabilities
1	20	4,41,630.71	Not Applicable	58.24%

(b) Top 20 Large Deposits (₹ in Lakhs and % of Total Deposits)

Not applicable. 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 (Lender Wise in ₹ in Lakhs and % of Total Borrowings)

Particulars	As at March 31, 2024	As at March 31, 2023
Total amount of top 10 borrowings (₹ in lakhs)	5,41,730.33	3,26,812.56
Percentage of amount of top 10 borrowings to total borrowings	54.17%	45.33%

(d) Funding Concentration Bases on Significant Instrument / Product

Sr. No.	Name of the Instrument / Product	As at March 31, 2024	
		₹ in lakhs	% of Total liabilities
1	Term loans from banks	5,73,369.29	53.75%
2	Term loans from FIs	18,775.80	1.76%
3	Securitisation liabilities	16,387.68	1.54%
4	Non-Convertible Debentures	3,05,343.64	28.62%
5	Subordinated Debt	5,047.52	0.47%
6	Commercial Paper	0.00	0.00%
7	External Commercial Borrowings	92,972.23	8.72%

Sr. No.	Name of the Instrument / Product	As at March 31, 2023	
		₹ in lakhs	% of Total liabilities
1	Term loans from banks	3,72,141.56	49.09%
2	Term loans from FIs	15,082.99	1.99%
3	Securitisation liabilities	32,801.54	4.33%
4	Non- Convertible Debentures	2,82,387.50	37.25%
5	Subordinated Debt	7,707.35	1.02%
6	Commercial Paper	-	0.00%
7	External Commercial Borrowings	10,891.69	1.44%

Total Liabilities represents total liabilities as per balance sheet less total equity

(e) Stock Ratios:

Sr. No.	Name of the Instrument / Product	As at March 31, 2024	As at March 31, 2023
i)	Commercial Papers to Total Liabilities	0.00%	0.00%
ii)	Commercial Papers to Total Assets	0.00%	0.00%
iii)	Commercial Papers to Public funds	0.00%	0.00%
iv)	NCD(Original Maturity < 1yrs.) to Total Liabilities	0.00%	0.00%
v)	NCD(Original Maturity < 1yrs.) to Total Assets	0.00%	0.00%
vi)	NCD(Original Maturity < 1yrs.) to Public funds	0.00%	0.00%
vii)	Other Short Term Liabilities to Total Liabilities ##	0.15%	0.00%
viii)	Other Short Term Liabilities to Total Assets ##	0.11%	0.00%
ix)	Other Short Term Liabilities to Public funds ##	0.16%	0.00%

All the above numbers are excluding notional Ind AS adjustments.

Other Short term liabilities refers to liabilities raised with original maturity of less than one year.

(f) Institutional Set-Up for Liquidity Risk Management

The Board of Directors is responsible for establishing and reviewing the ALM & Risk management Policies. Towards this end, the Board has established an ALM Committee (ALCO), which has been delegated the authority to manage funds and to match the Assets and the Liabilities in terms of their maturities and interest rate sensitivities, so that the risk arising from such mismatches can be contained within the desired limit. Similarly, the Board has also constituted Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various risks, including liquidity risk, faced by the Company. ALCO and RMC meetings are conducted at a frequency which is warranted from time to time with minimum frequency of once in a quarter. The board reviews the minutes of the ALCO & RMC meetings and additional summarized information on a quarterly basis. If necessary the Board also recommends the actions that are in the best interest of the company.

(XIII) Other Statutory Information:

During the Current Year and Previous Year

a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company has not been declared as a Wilful defaulter by any bank or financial Institution or other lender.

c) The Company does not have any charges or satisfaction, which are yet to be registered with ROC beyond the statutory period.

d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

e) 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:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

h) During the year the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

i) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(j) **Key Financial Ratios :**

Ratio	Year ended March 31, 2024	Year ended March 31, 2023	Reason for Variance (if above 25%)
Capital to risk weighted assets ratio (CRAR)	27.52%	24.86%	
Tier I CRAR	26.94%	24.35%	
Tier II CRAR	0.58%	0.51%	
Liquidity coverage ratio	359.98%	149.68%	Significant inrease in HQLA on account of higher liquidity maintained.

k) The Company does not have any transactions with struck off companies.

l) During the financial years ended 31st March 2024 and 31st March 2023, 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 (a) repayable on demand or (b) without specifying any terms or period of repayment.

m) The Company has not entered into any scheme of arrangement under sections 230 to 237 of the Companies Act, 2013.

41.19 Related Party Disclosure:

Related party disclosure of pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 amended from time to time is provided below.

Items	Parent (as per ownership or control)	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Directors	Relatives of Directors	Others	Total
Borrowings	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Deposits	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Placement of Deposits	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Advances	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Investments	-	2,673.79	-	-	-	-	-	**2,673.79**
	(-)	(2,673.79)	(-)	(-)	(-)	(-)	(-)	**(2,673.79)**
Purchase of fixed/other assets	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Sale of fixed/other assets	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Interest paid	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Interest received	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Investment in equity shares of subsidiary	-	2,672.79	-	-	-	-	-	**2,672.79**
	(-)	(2,672.79)	(-)	(-)	(-)	(-)	(-)	**(2,672.79)**
Reimbursement of expenses		73.50						**73.50**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Common support cost- recharge	-	25.22	-	-	-	-	-	**25.22**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Share Capital 2	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Receivables	-	114.35	-	-	-	-	-	**114.35**
	-	(114.35)	-	-	-	-	-	**(114.35)**
Commission Paid 3	-	-	-	-	54.50	-	-	**54.50**
	(-)	(-)	(-)	(-)	(54.50)	(-)	(-)	**(54.50)**
Remuneration to KMPs	-	-	1,289.82	-	-	-	-	**1,289.82**
	(-)	(-)	(-)	(-)	-	(-)	(-)	**(-)**
Sitting Fees paid 3	-	-	-	-	35.76	-	-	**35.76**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Sitting Fees payable					0.44			**0.44**
	(-)	(-)	(-)	(-)	(0.44)	(-)	(-)	**(0.44)**
Commission Payable	-	-	-	-	54.50	-	-	**54.50**
	(-)	(-)	(-)	(-)	(54.50)	(-)	(-)	**(54.50)**

Notes:
1. Figures in bracket indicates maximum balance oustanding during the year
2. The Compulsorily Convertible Preference Shares (CCPS) issued during the financial year 2022-23 were subsequently converted to equity shares on January 19, 2023.
3. The transactions disclosed above are inclusive of Goods and Service Tax ('GST').
4. For detailed list of related parties refer to note no 37.

The Company's related party balances and transactions for the year ended March 31, 2023 are summarised as follows:

Items	Parent (as per ownership or control)	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Directors	Relatives of Directors	Others	Total
Borrowings	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Deposits	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Placement of Deposits	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Advances	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Investments	-	1.00	-	-	-	-	-	**1.00**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Purchase of fixed/other assets	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Sale of fixed/other assets	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Interest paid	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Interest received	-	-	-	-	-	-	-	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Reimbursement of expenses	-	-	-	-	-	-	-	**-**
	-	(-)	-	-	-	-	-	**(-)**
Common support cost- recharge	-	-	-	-	-	-	-	**-**
	-	(-)	-	-	-	-	-	**(-)**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Share Capital	31,200.00	-	-	-	-	-	-	**31,200.00**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Receivables	-	40.85	-	-	-	-	-	**40.85**
	-	(40.85)	-	-	-	-	-	**(40.85)**
Commission Paid[2]	-	-	-	-	54.50	-	-	**54.50**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Remuneration to KMPs	-	-	547.91	-	-	-	-	**547.91**
	(-)	(-)	(-)	(-)	-	(-)	(-)	**(-)**
Sitting Fees paid[2]	-	-	-	-	33.68	-	-	**33.68**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	**(-)**
Commission Payable	-	-	-	-	54.50	-	-	**54.50**
	(-)	(-)	(-)	(-)	(54.50)	(-)	(-)	**(54.50)**

Notes:
1. Figures in bracket indicates maximum balance oustanding during the year
2. The transactions disclosed above are inclusive of Goods and Service Tax ('GST').
3. For detailed list of related parties refer to note no 37.

The Company has not granted any loans and advances to Directors, Senior Officers and relative of Directors, in terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended

41.20 Breach of Covenant

There are no breach of covenants in the current year and previous year.

41.21 Sectoral Disclosure

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (Includes on balance sheet and off balance sheet exposure)	Gross NPA	Percentage of Gross NPA to total exposure in that sector	Total Exposure (Includes on balance sheet and off balance sheet exposure)	Gross NPA	Percentage of Gross NPA to total exposure in that sector
Total sectors exposure						
1. Agriculture and Allied Activities						
2. Industry 1						
(i) Micro and Small	2,34,582.73	3,844.76	1.64%	1,80,253.51	3,314.49	1.84%
(ii) Medium	-	-		-	-	
(iii) Others	-	-		-	-	
Total of Industry	**2,34,582.73**	**3,844.76**	**1.64%**	**1,80,253.51**	**3,314.49**	**1.84%**
3. Services						
(i) Transport Operators	-	-	-	-	-	-
(ii) Computer Software	-	-	-	-	-	-
(iii) Tourism, Hotel and Restaurants	-	-	-	-	-	-
(iv) Shipping	-	-	-	-	-	-
(v) Professional Services	-	-	-	-	-	-
(vi) Total of Trade	-	-	-	-	-	-
(a) wholesale Trade (other than Food	-	-	-	-	-	-
Procurement)	-	-	-	-	-	-
(b) Retail Trade	-	-	-	-	-	-
(vii) Commercial Real Estate	-	-	-	-	-	-
(viii) NBFCs	-	-	-	-	-	-
(ix) Aviation	-	-	-		-	
(x) Others	-	-	-	100.68	-	0.00%
Total of Services	-	-	-	**100.68**	-	**0.00%**
4. Personal Loans 2						
(i) Housing Loans (incl. priority sector	-	-	-	-	-	-
Housing)	-	-	-	-	-	-
(ii) Consumer Durables						
(iii) Credit Card Receivables	-	-	-	-	-	-
(iv) Vehicle/Auto Loans	-	-	-	-	-	-
(v) Education Loans	10,84,873.55	977.61	**0.09%**	6,68,695.47	1,226.38	**0.18%**
(vi) Advances against Fixed Deposit	-	-	-	-	-	-
(vii) Advances to Individuals against Shares, Bonds	-	-	-	-	-	-
(viii) Advances to Individuals against Gold	-	-	-	-	-	-
(ix) Micro inance loan/SHG Loan	-	-	-	-	-	-
(x) Others 3	38,453.10	501.10	1.30%	76,868.71	180.32	**0.23%**
Total of Personal Loans	**11,23,326.65**	**1,478.71**	**0.13%**	**7,45,564.18**	**1,406.70**	**0.19%**
5. Others, if any (please specify)						

1. Industry includes loan exposure to SME borrowers and loans given to institutes and corporates
2. Personal Loan includes education loans given to individual
3. Others include personal loans other than education loans.
4. The above sectoral classification for personal loans has been done basis the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended

42. The Company had migrated to a new software (Oracle Fusion) from the legacy software (Microsoft Navision/Dynamics) during the year for general ledger accounting. The Company also uses a software for loan management and accounting (Pennant) and a software operated by a third-party service provider for maintaining the payroll records (Darwinbox). The information regarding audit trail (edit log) feature in respect of these software is as follows:

a. The legacy software for general ledger accounting and the software for loan management and accounting has a feature of recording audit trail which operated throughout the year or period until migration for all relevant transactions recorded therein. However, the audit trail feature was not enabled for direct changes to database when using certain access rights. Also, the management is not in possession of relevant system logs to determine whether there were any instances of the audit trail feature being tampered with in relation to this software.

b. The new software for general ledger accounting has a feature of recording audit trail but it did not operate for the entire period post migration. The payroll software has a feature of recording audit trail which operated throughout the year for all relevant transactions recorded therein. There were no instances of the audit trail feature being tampered with in relation to these software.

43. Subsequent Events

The Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary general Meeting held on April 26, 2024 approved the sub-division of shares from ₹ 10 per share to ₹ 5 per share.

44. The financial statements were approved for issue by the Board of Directors on April 30, 2024

The accompanying notes form an integral part of the Standalone Financial Statements 1 to 44

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

For Avanse Financial Services Limited

Shrawan Jalan
Partner

Membership No. 102102
Place : Mumbai
Date : April 30, 2024

Neeraj Swaroop
Director

DIN - 00061170
Place : Mumbai
Date : April 30, 2024

Amit Gainda
Managing Director &
Chief Executive Office
DIN - 09494847
Place : Mumbai
Date : April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place : Mumbai
Date : April 30, 2024

Rajesh Gandhi
Company Secretary
Place : Mumbai
Date : April 30, 2024

Independent Auditor's Report

To the Members of Avanse Financial Services Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Avanse Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid Consolidated 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 the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SA), 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 the Consolidated Financial Statements' Section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the Consolidated Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of component not audited by us, as reported by them in their audit report furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit matter	How our audit addressed the key audit matter
1. Classification and impairment (expected credit loss) of loans (refer note 7 and 40.3 to the consolidated financial statements)	
Indian Accounting Standard (IND AS) 109 'Financial Instruments' requires the Holding Company to classify its loan portfolio into various stages based on changes in credit quality since initial recognition and provide for impairment using the Expected Credit Loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. In the process, a significant degree of judgement and estimate have been applied by the management for: • Staging of loans (i.e., classification in 'significant increase in credit risk' ("SICR") and 'default' categories based on past due status or qualitative assessment; • Grouping of the borrowers based on homogeneity for estimating probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") on a collective basis; • Determining macro-economic and other factors impacting credit quality of loans. In view of the high degree of management's judgement involved in staging and estimation of ECL, and the overall significance of the impairment loss allowance to the standalone financial statements, it is considered as a key audit matter.	Our audit procedures included the following: • Read and assessed the Holding Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation, and computation. • Assessed the criteria for staging of loans based on their past-due status as per the requirements of IND AS109. Tested samples of performing loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD, and EAD considering various forward-looking, micro and macro-economic factors. • Tested the inputs used on a sample basis and tested the arithmetical accuracy of the ECL computation. • Tested assumptions used by the management in determining the overlay for macro-economic and other factors. • Assessed disclosures included in the standalone financial statements in respect of expected credit losses.
2. Information technology (IT) systems and controls	
The financial accounting and reporting systems of the Holding Company are fundamentally reliant on IT systems and controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over programme development and changes, access to programmes and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting. Further, the extant regulations require the Holding Company to maintain a daily back-up of its books of account and to use accounting software which has an audit trail (edit log) feature. Any gaps in the IT control environment could result in a material misstatement of the financial accounting/reporting records or non-compliance with regulatory requirements. Therefore, due to the pervasive nature and complexity of the IT environment and enhanced reporting requirements, the assessment of relevant system configurations, IT general controls and the application controls specific to	We performed the following procedures assisted by specialised IT auditors on the IT infrastructure and applications relevant to financial reporting: • The aspects covered in the assessment of IT general controls comprised: (i) User Access Management; (ii) programme Change Management; (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls in respect of information systems that are important to financial reporting ("in-scope applications"). • Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting. • Tested the periodic review of access rights, inspected requests of changes to systems for appropriate approval and authorisation. • Tested the configuration of the audit trail feature in the accounting software and maintenance of back-up as per extant regulatory requirements.

Key audit matter	How our audit addressed the key audit matter
accounting and preparation of the financial information is considered to be a key audit matter.	• Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT dependent manual controls in the system. • Tested the design and operating effectiveness of compensating controls, where deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have 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.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision, and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹2,795.03 lakhs as at March 31, 2024, total revenues of ₹79.83 lakhs, and net cash inflows of ₹2,495.68 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditor.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

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, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor, except for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement, and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies incorporated in India, is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

(g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary company incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

(h) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary, the managerial remuneration for the year ended March 31, 2024, has been paid/provided by the Holding Company and its subsidiary to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other Matter' paragraph:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group in its Consolidated Financial Statements – Refer note 30 to the Consolidated Financial Statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended March 31, 2024;

iv. a) The respective managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 41(d) to the consolidated 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 Holding Company or such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 41(e) to the consolidated financial statements, no funds have been received by the respective Holding Company or such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Holding Company and its subsidiary.

vi. Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in respect of certain software, the audit trail feature either did not operate throughout the period, or was not enabled for direct changes to database when using certain access rights as described in note 43 to the Consolidated Financial Statements. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with except that in respect of certain software, we were not able to obtain sufficient and appropriate audit evidence to determine whether there were any instances of the audit trail feature being tampered with, as described in the aforesaid note to the Consolidated Financial Statements.

Further, based on the examination performed by the auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, the subsidiary has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, but such feature was not enabled during the year.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 24102102BKBZYJ9585
Mumbai
April 30, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Consolidated Financial Statements of Avanse Financial Services Limited

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, and based on the consideration of report of the auditor in respect of the subsidiary, we state that the qualifications or adverse remarks by the respective auditors in their reports on Companies (Auditor's Report) Order, 2020, of the companies included in the Consolidated Financial Statements are:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associate	Clause number of the CARO report which is qualified or is adverse
1	Avanse Financial Services Limited	U67120MH1992PLC068060	Holding Company	(iii)(c) (iii)(d) (vii)(a)
2	Avanse Global Finance IFSC Private Limited	U65900GJ2023PTC138316	Subsidiary	(xvii)

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 24102102BKBZYJ9585
Mumbai
April 30, 2024

Annexure 2 referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date on the Consolidated Financial Statements of Avanse Financial Services Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Avanse Financial Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group has maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiary, which is a Company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102

UDIN: 24102102BKBZYJ9585
Mumbai
April 30, 2024

AVANSE FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
I	**Financial assets**			
(a)	Cash and cash equivalents	4	1,30,075.99	78,707.59
(b)	Bank balances other than (a) above	5	22,960.74	34,281.88
(c)	Derivative financial instruments	40.3	33.21	1,472.06
(d)	Trade receivables	6	919.38	832.98
(e)	Loans	7	12,39,682.05	8,37,346.91
(f)	Investments	8	24,314.56	6,441.69
(g)	Other financial assets	9	1,450.10	5,938.53
			14,19,436.03	**9,65,021.64**
II	**Non-Financial assets**			
(a)	Current tax assets (net)	10A	1,906.01	1,952.84
(b)	Deferred tax assets (net)	10B	947.69	2,250.23
(c)	Property, plant and equipment	11	2,331.40	1,308.99
(d)	Capital work-in-progress	11	886.70	-
(e)	Right of use assets	11	4,401.59	348.58
(f)	Intangible assets under development	11	1,128.94	464.12
(g)	Other intangible assets	11	1,351.78	634.48
(h)	Other non-financial assets	12	1,993.35	1,238.65
			14,947.46	**8,197.88**
	Total Assets		**14,34,383.49**	**9,73,219.53**
	LIABILITIES AND EQUITY			
	LIABILITIES			
I	**Financial Liabilities**			
(a)	Derivative financial instruments	40.3	1,163.90	-
(b)	Trade payables	13		
	- total outstanding dues of micro and small enterprises		8.50	77.72
	- total outstanding dues of creditors other than micro and small enterprises		7,502.18	5,396.02
(c)	Debt securities	14	3,05,343.64	2,82,387.50
(d)	Borrowings (other than debt securities)	15	7,03,133.72	4,30,917.78
(e)	Subordinated liabilities	16	5,047.52	7,707.35
(f)	Other financial liabilities	17	42,501.75	30,762.72
			10,64,701.21	**7,57,249.07**
II	**Non-Financial Liabilities**			
(a)	Current tax liabilities (net)		-	-
(b)	Provisions	18	302.47	136.69
(c)	Other non-financial liabilities	19	1,708.38	861.65
			2,010.85	**998.34**
III	**EQUITY**			
(a)	Equity share capital	20	12,591.16	10,663.80
(b)	Other equity	21	3,55,080.27	2,04,308.30
	Total equity		**3,67,671.43**	**2,14,972.10**
	Total Liabilities and Equity		**14,34,383.49**	**9,73,219.53**
	The accompanying notes form an integral part of the Consolidated Financial Statements	1 to 45		

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : April 30, 2024

For Avanse Financial Services Limited

Neeraj Swaroop
Director
DIN - 00061170
Place : Mumbai
Date : April 30, 2024

Amit Gainda
Managing Director & Chief Executive Officer
DIN - 09494847
Place : Mumbai
Date : April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place : Mumbai
Date : April 30, 2024

Rajesh Gandhi
Company Secretary
Place : Mumbai
Date : April 30, 2024

AVANSE FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations			
(a)	Interest income	22	1,44,372.83	88,687.90
(b)	Fees and commission income	23	18,429.70	7,313.93
(c)	Net gain on fair value changes	24	1,324.94	660.32
(d)	Net gain on derecognition of financial instrument on amortised cost basis		8,568.63	2,297.41
	Total revenue from operations		**1,72,696.10**	**98,959.56**
	Other income		184.62	63.21
	Total Income		**1,72,880.72**	**99,022.77**
II	**Expenses**			
(a)	Finance costs	25	87,563.79	53,984.27
(b)	Impairment on financial instruments	26	7,959.29	4,658.91
(c)	Employee benefits expense	27	14,088.87	10,458.59
(d)	Depreciation and amortisation expense	11	2,060.65	1,330.08
(e)	Other expenses	28	15,279.02	7,459.53
	Total Expenses		**1,26,951.62**	**77,891.37**
III	**Profit before tax**		**45,929.10**	**21,313.40**
IV	**Tax expense**			
(a)	Current tax	10B	9,968.72	5,727.94
(b)	Deferred tax	10B	1,720.20	(367.53)
	Total Tax Expenses		**11,688.92**	**5,360.41**
V	**Net profit for the year**		**34,240.18**	**15,770.99**
VI	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains/(losses) on post retirement benefit plans		(18.02)	23.77
	(ii) Income tax on above		4.54	(5.98)
	Subtotal (A)		**(13.48)**	**17.79**
	B) Items that will be reclassified to profit or loss			
	(i) Foreign Currency Translation Reserve		35.27	-
	(ii) Fair value (loss)/gain on derivative financial instrument		(1,326.23)	284.12
	(iii) Income tax on above		333.78	(71.51)
	Subtotal (B)		**(957.18)**	**212.61**
	Total other comprehensive income (A+B)		**(970.66)**	**230.40**
VII	**Total comprehensive income**		**33,269.52**	**16,001.39**
	Earnings per equity share	29		
	(Face value of ₹5/- each)			
	Basic (₹)		15.40	9.03
	Diluted (₹)		15.05	8.85
	The accompanying notes form an integral part of the Consolidated Financial Statements	1 to 45		

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

For Avanse Financial Services Limited

Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : April 30, 2024

Neeraj Swaroop
Director
DIN - 00061170
Place : Mumbai
Date : April 30, 2024

Amit Gainda
Managing Director & Chief Executive Officer
DIN - 09494847
Place : Mumbai
Date : April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place : Mumbai
Date : April 30, 2024

Rajesh Gandhi
Company Secretary
Place : Mumbai
Date : April 30, 2024

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash flow from operating activities**		
	Profit before tax	45,929.10	21,131.40
	Adjustment for:		
	Interest income on loans	(1,38,643.32)	(86,417.47)
	Depreciation and amortisation expenses	2,060.65	1,330.08
	Net gain on fair value changes	(1,324.94)	(660.32)
	Interest expense on borrowings	86,953.08	48,264.70
	Interest on fixed deposits	(4,509.31)	1,838.08
	Interest Income from Treasury bills	(1,220.20)	(223.61)
	Impairment of financial instruments	3,321.18	(3,536.04)
	Bad debts written off	4,638.11	2,820.84
	Employee share based payment expenses	747.90	490.24
	Finance cost in lease liability	80.88	57.20
	(Profit)/Loss on sale of property, plant and equipments	(0.17)	(10.41)
	Cash used in operation before working capital changes	**(1,967.05)**	**(14,915.31)**
	Operational cash flows from interest		
	Interest received on loans	57,110.61	53,411.79
	Interest paid on borrowings	(80,244.17)	(41,846.94)
	Working capital changes		
	Adjustment for:		
	(Increase)/Decrease in loans	(3,28,761.71)	(3,37,401.50)
	(Increase)/Decrease in other non-financial assets	(754.68)	256.31
	(Increase)/Decrease in financial assets	4,488.44	(5,599.09)
	(Increase)/Decrease in trade receivables	(86.40)	(563.79)
	(Decrease)/Increase in financial liabilities	7,524.08	(17,526.31)
	(Decrease)/Increase in trade payables	2,036.94	2,057.17
	(Decrease)/Increase in non financial liabilities	846.73	301.40
	(Decrease)/Increase in Provisions	147.76	85.84
	Cash (used in) operations	**(3,39,659.46)**	**(3,61,740.43)**
	Direct taxes paid (net)	(9,842.56)	(7,642.33)
	Net cash (used in) operating activities	**(3,49,502.02)**	**(3,69,382.76)**
B	**Cash flow from investing activities**		
	Investments in mutual fund units at FVTPL	(9,57,952.10)	(4,13,485.53)
	Sale of mutual fund units at FVTPL	9,59,277.05	4,14,145.85
	Investments in Treasury Bills at amortised cost	(1,42,152.66)	(13,744.57)
	Redemption of Treasury Bills	1,25,500.00	8,800.00
	Interest received on fixed deposits	4,517.71	3,536.04
	Purchase of property, plant & equipment and intangible assets	(4,818.43)	(1,976.82)
	Sale of property, plant & equipment	5.72	73.55
	Fixed deposit not considered as cash and cash equivalents (net)	11,321.15	(31,587.30)
	Net cash (used in)/generated from investment activities	**(4,301.58)**	**(34,238.78)**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share (including securities premium) (net)	1,18,917.78	97,514.05
	Debt securities & subordinated liabilities issued	1,18,000.00	2,27,600.00
	Debt securities & subordinated liabilities repaid	(1,07,000.00)	(65,500.00)
	Borrowings (other than debt securities) taken	4,18,498.79	2,16,903.89

AVANSE FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings (other than debt securities) repaid	(1,44,256.02)	(54,881.13)
Proceeds from short-term borrowings (net)	1,628.72	(2,000.00)
Payment towards lease liability	(617.27)	(356.27)
Net cash generated from financing activities	**4,05,172.00**	**4,19,280.54**
Net Increase in Cash and cash equivalents	51,368.40	15,659.01
Cash and cash equivalents at the beginning of the year	78,707.59	63,048.59
Cash and cash equivalents at the end of the year	**1,30,075.99**	**78,707.59**
Cash and cash equivalents at the end of the year comprises of:		
Cash in hand	2.38	1.01
Balance with banks		
- In Current accounts	34,629.95	12,388.80
- In fixed deposit with original maturity of less than 3 months	95,438.43	66,317.78
Cheques on hand	5.23	-
Total	**1,30,075.99**	**78,707.59**

Notes:
1. Receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS 7 Statement of Cash Flows
2. Cash flow statement has been prepared under indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. For disclosure relating to changes in liabilities arising from financing activities refer note 33

The accompanying notes form an integral part of the Consolidated Financial Statements 1 to 45

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : April 30, 2024

For Avanse Financial Services Limited

Neeraj Swaroop
Director
DIN - 00061170
Place : Mumbai
Date : April 30, 2024

Amit Gainda
Managing Director &
Chief Executive Officer
DIN - 09494847
Place : Mumbai
Date : April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place : Mumbai
Date : April 30, 2024

Rajesh Gandhi
Company Secretary
Place : Mumbai
Date : April 30, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2024

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period error	Restated balance at the beginning of the current year	Changes in equity share capital during the year*	Balance as at March 31, 2023
Equity Share Capital	8,259.19	-	-	2,404.61	10,663.80

Particulars	Balance as at April 1, 2023	Changes in equity share capital due to prior period error	Restated balance at the beginning of the current year	Changes in equity share capital during the year*	Balance as at March 31, 2023
Equity Share Capital	10,663.80	-	-	1,927.36	12,591.16

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	General Reserve	Stock Options Reserve	Statutory Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	
Balance as at April 1, 2022	**75,923.27**	**12,537.90**	**0.14**	**854.19**	**3,368.46**	**23.27**	**-**	**92,707.23**
Profit/(loss) for the year	-	15,770.99	-	-	-	-	-	15,770.99
Other Comprehensive Income/(loss)	-	17.79	-	-	-	212.61	-	230.40
Total Comprehensive Income for the year	-	**15,788.78**	-	-	-	**212.61**	-	**16,001.39**
Transfers to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	(3,154.69)	-	-	3,154.69	-	-	-
Charge/Transfer for the year in respect of Stock Options	-	-	38.66	451.58	-	-	-	490.24
Securities premium on shares alloted during the year	58,765.40	-	-	-	-	-	-	58,765.40
Share issuance expenses	(1,483.01)	-	-	-	-	-	-	(1,483.01)
Securities premium on conversion of compulsary convertible preference shares to equity	37,827.06	-	-	-	-	-	-	37,827.06
Effective portion of cash flow hedge reserve reclassified to profit and loss	-	-	-	-	-	-	-	-
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**1,71,032.71**	**25,171.99**	**38.80**	**1,305.77**	**6,523.15**	**235.88**	-	**2,04,308.30**

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	General Reserve	Stock Options Reserve	Statutory Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	
Balance as at 1 April, 2023	**1,71,032.71**	**25,171.99**	**38.80**	**1,305.77**	**6,523.15**	**235.88**	**-**	2,04,308.30
Profit/(loss) for the year	-	34,240.18	-	-	-	-	-	34,240.18
Other Comprehensive Income/(loss)	-	(13.48)	-	-	-	(992.45)	35.27	(970.65)
Total Comprehensive Income for the year	-	**34,226.70**	-	-	-	**(992.45)**	**35.27**	33,269.53
Transfers to Statutory reserves as per Section 45-IC of the RBI Act, 1934	-	(6,851.39)	-	-	6,851.39	-	-	-
Charge/Transfer for the year in respect of Stock Options	-	-	-	747.90	-	-	-	747.90
Securities premium on shares alloted during the year	1,18,810.79	-	-	-	-	-	-	1,18,810.79
Share issuance expenses	(1,820.37)	-	-	-	-	-	-	(1,820.37)
Securities premium on conversion of compulsary convertible preference shares to equity								
Effective portion of cash flow hedge reserve reclassified to profit and loss	-	-	-	-	-	-	-	-
Transfer on allotment of shares to employees pursuant to ESOP scheme	-	-	-	-	-	(235.88)		(235.88)
Balance as at March 31, 2024	140.80	-	8.65	(149.45)	-	-	-	-
	2,88,163.93	**52,547.30**	**47.45**	**1,904.22**	**13,374.54**	**(992.45)**	**35.27**	3,55,080.27

The accompanying notes form an integral part of the Consolidated Financial Statements 1 to 45

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : April 30, 2024

For Avanse Financial Services Limited

Neeraj Swaroop
Director
DIN - 00061170
Place : Mumbai
Date : April 30, 2024

Amit Gainda
Managing Director &
Chief Executive Officer
DIN - 09494847
Place : Mumbai
Date : April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place : Mumbai
Date : April 30, 2024

Rajesh Gandhi
Company Secretary
Place : Mumbai
Date : April 30, 2024

1. Corporate Information

Avanse Financial Services Limited (the 'Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a non-banking financial company registered with the Reserve Bank of India ('RBI') and is primarily engaged in the business of financing education loans to students and education infrastructure loans to institutions. The Company is registered with Ministry of Corporate Affairs (Corporate Identity Number (CIN) U67120MH1992PLC068060). The non-convertible debentures of the Company are listed on BSE Limited.

The details of registration with RBI are as follows:
Registration number: B-13.01704
Category: Systematically Important Non-deposit taking Non-Banking Financial Company (NBFC NDSI)
Classification: Investment and Credit Company (ICC)
Layer: Middle Layer (NBFC-ML)

The registered office of the Company has changed with effect from April 15, 2024 to E-Wing, 4th Floor, Times Square, Andheri - Kurla Rd, Gamdevi, Marol, Andheri East, Mumbai, Maharashtra-400059. Till April 14, 2024 the registered office of the Company was 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai – 400 099.

Financial statements have been reviewed by the Audit Committee and approved by the Board of Directors on April 30, 2024. Further, the Board of Directors recommended these financial statements for consideration and adoption by the shareholders in its Annual General Meeting. The Company together with its subsidiaries is herein after referred to as the 'Group'.

2. Material Accounting Policies

2.1 Basis of Accounting and Preparation of Financial statements

Presentation of Financial Statements

The consolidated financial statements of Avanse Financial Services Limited ('the Parent') and its subsidiary ('the Group') have been prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') 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 13 March 2020 ('RBI Notification for implementation of IND AS') issued by RBI. The Group uses accrual basis of accounting. The Group prepares and presents its Balance Sheet, Statement of profit and loss and the Changes in Equity in the format prescribed by Division III of schedule III of the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of IND AS 7 "Statement of Cash Flows".

Functional and Presentation Currency

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Group's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise.

Historical Cost Convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. IND AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Valuation Principles

Fair value measurements under IND AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakh (₹00,000), except when otherwise indicated.

Maintenance of Books of Accounts

The Group has complied with the Rule 3 of Companies (Accounts) Rules, 2014 amended on August 5, 2022 relating to maintenance of electronic books of account and other relevant books and papers. The Groups's books of account and relevant books and papers are accessible in India at all times and backup of accounts and other relevant books and papers are maintained in electronic mode within India and kept in servers physically located in India on daily basis.

With respect to maintenance of audit trail in respect of accounting software used by the Company pursuant to the requirements of the Companies (Accounts) Rules, 2014, refer note 43.

2.2 (a) Property, Plant and Equipment and Intangible Assets

i. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE if it meets the cost criteria which is directly attributable to the the asset aquired.

Depreciation/amortisation is recognised on a straight-line basis over the estimated useful lives of respective assets as under. Leasehold improvement is depreciated on SLM over the lease term subject to a maximum of 60 months.

Category of Assets	Useful Life
Furniture & Fixtures	6 years
Computer Hardware	3 years
Vehicle	4 years
Office Equipment	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

ii. Intangible Assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.2 (b) Impairment on Non-financial Assets

As at the end of each year, the Group reviews the carrying amount of its non financial assets to determine whether there is any indication that these assets have suffered an impairment loss.

An asset is considered as impaired when on the balance sheet date there are indications of impairment in the carrying amount of the assets, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets' net selling price and value in use). The carrying amount is reduced to the level of recoverable amount and the reduction is recognised as an impairment loss in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.3 Revenue Recognition

a. Interest Income

The Group recognises interest income using effective interest rate method (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset and it represents a rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Group recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation basis.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL, transaction costs are recognised in profit or loss at initial recognition.

b. Fees and Commission Income

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Revenue from Contract with Customer

Revenue is measured at transaction price i.e. the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behlaf of third parties. The Group considers the terms of the contracts and its customary business practices to determine the transaction price. Where the consideration promised is variable, the group excludes the estimates of variable consideration that are constrained. The Group applies the five-step approach for recognition of revenue:

i. Identification of contract(s) with customers;
ii. Identification of the separate performance obligations in the contract;
iii. Determination of transaction price;
iv. Allocation of transaction price to the separate performance obligatios; and
v. Recognition of revenue when (or as) each performance obligation is satisfied.

Fee and commission income include fees other than those that are an integral part of EIR. The fee & commission included in this part of the statement of profit and loss include among other things fees charged for servicing a loan, commission on forex and insurance commission.

Fee and Commission Income are recognised after the performance obligation in the contract is fulfilled and commission income such as insurance commission and fee income, etc. are recognised on point in time or over the period basis, as applicable.

c. Investment Income

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

d. Income from Direct Assignment

Gains arising out of direct assignment transactions comprise of the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS is based on the scheduled behavioral cash flows on execution of the transaction, discounted at the applicable rate entered into with the assignee and recorded upfront (net off of servicing cost) in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

2.4 Leases

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under IND AS 116.

The Group as a Lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

a) the use of an identified asset,
b) the right to obtain substantially all the economic benefits from use of the identified asset, and
c) the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements includes the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.
For lease liabilities at inception, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in the Statement of profit and loss.
For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

2.5 Borrowing Costs

Interest expenses is calculated using effective interest rate ('EIR') and calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability. EIR is calculated by considering all costs attributable to acquisition of a financial liability and it represents a rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

All other borrowing costs which are not incremental and not directly attributable to the issue of a financial liability are recognised in the Statement of profit and loss in the period in which they are incurred.

2.6 Employee Benefits

Share-based Payment Arrangements

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Group measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Group's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black-Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

Defined Contribution Plan

Payments to defined contribution plans are recognised as expense in the Statement of Profit and Loss of the year when employees have rendered service entitling them to the contributions. The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payment is available.

The Group's contribution paid/payable during the year to National Pension Scheme is recognised in the Statement of profit and loss.

Defined Benefit Obligation

The Group's Gratuity liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.

The Groups's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. 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.

2.7 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income ('OCI') or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity respectively.

Current Tax

The tax currently payable is based on the taxable profit for the year of the Group. 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. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Goods and Service Tax Input Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when:
i. An entity has a present obligation (legal or constructive) as a result of a past event; and
ii. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. A reliable estimate can be made of the amount of the obligation

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:
i. A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii. A present obligation arising from past events, when no reliable estimate is possible.

2.10 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
i. Estimated amount of contracts remaining to be executed on capital account and not provided for;
ii. Uncalled liability on shares and other investments partly paid and
iii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.11 Cash and Cash Equivalents

Cash and cash equivalents includes cash at banks and on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the balance sheet.

2.12 Financial Instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and liabilities are recognised when the Group becomes the party to the contractual provisions of the instruments. Financial assets primarily comprise of loans and advances and other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Initial Measurement of Financial Instruments

The financial assets and financial liabilities are initially measured at fair value, except for trade receivables. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the Statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Cash Flow Hedge

The Group designates certain foreign exchange currency swap contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on external commercial borrowings.When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, it is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedge reserve till the period of the hedge was effective, remains in cash flow hedge reserve until the ECB is derecognised. The cumulative gain or loss previoulsy recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the derecognition of the hedged item.

2.13 Financial Assets

Subsequent Measurement of Financial Assets:

All recognised financial assets that are within the scope of IND AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets

Classification of Financial Assets:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

- All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies, in OCI; and

- The Group may irrevocably designate a debt instrument that meets the amortised cost or FVOCI criteria, as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:
- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Debt Instruments at Amortised Cost or at FVOCI

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

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that are meeting 'solely payments of principal and interest' ('SPPI') test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.
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. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed at individual basis and collectively to achieve a particular business objective.
When a debt instrument measured at FVOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVOCI are subject to impairment.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Reclassifications

If the business model under which the Group 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 result in reclassifying the Group's financial assets.

During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

De-recognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition. The Group has transferred the financial asset if, and only if, either: - It has transferred its contractual rights to receive cash flows from the financial asset Or - It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement. Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

1. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
2.The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
3. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either: - The Group has transferred substantially all the risks and rewards of the asset or The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

Impairment of Financial Assets

Overview of the Expected Credit Loss (ECL) principle

The Group records allowance for ECL for all loans, other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under IND AS 109.

ECL are a probability-weighted estimate of the present value of credit losses. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original EIR (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. 12-month ECL are portion of the life-time ECL and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below: • Stage 1 - Assets upto 30 days of principal/interest overdue

- Stage 2 - (a) Assets with principal/interest past due between 30 to 90 days (b) where the contractual terms of the loans were renegotiated/modified as per the RBI circular on resolution framework for Covid-19 related stress dated August 6, 2020 and May 5, 2021 and which are not classified as Stage 3 (c) Loans where credit risk has increased significantly basis qualitative assessment of the borrower
- Stage 3 - Non-performing assets (credit impaired assets) with principal/interest past due more than 90 days and cases where frauds have been identified. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 18 and loans under short term financing, the Group always measures the loss allowance at an amount equal to lifetime ECL. Further, for the purpose of measuring lifetime ECL allowance for trade receivables, the Group has used a practical expedient as permitted under IND AS 109.

This ECL allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Significant Increase in Credit Risk:

Accounts which are in 31 - 90 days overdue bucket will be considered as accounts where there has been a significant increase in credit risk(SICR) since initial recognition but are not credit-impaired.

This definition of Staging is subject to SICR criteria developed, in which case the accounts which meet the SICR criteria will be classified as Stage II even though they have not breached the backstop indicator conditions (i.e. 0-30 overdue).

A. Restructured Asset (COVID-19 Restructuring): The Group has reclassified covid restructured loans under OTR 1.0 and 2.0 by downgrading loans in 0-30 days overdue to "Stage II", as a conservative approach for ECL provisioning. Loans which are already in Stage II shall not be further reclassified.

B. Restructured Asset other than COVID-19 Restructuring: If any case is classified as restructured other than covid restructuring, then the account will be downgraded to "sub-standard" .i.e. Stage III.

De-recognition of Financial Assets

A financial asset is derecognised only when :
- The Group has transferred the rights to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assume a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial assets is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

2.14 Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of our equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

Transaction costs incurred in relation to an equity transaction are deducted from equity, net of associated income tax, if any.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which IND AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

• it is a derivative that is not designated and effective as a hedging instrument.
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial Liabilities Subsequently Measured at Amortized Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the EIR method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The EIR method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of 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.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainties

3.1 Preparation of Financial Statements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.
Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:
• Business model assessment [Refer note no. 2.14 and 9]
• Fair value of financial instruments (Refer note no. 3.15, 46)
• Impairment of financial assets [Refer note no. 3.4(i), 9 and 47]
• Provisions and contingent liabilities (Refer note no. 3.10 and 41)
• Provision for tax expenses (Refer note no. 3.6)

3.2 Accounting Standards (Amendment to IND AS)

The Ministry of Corporate Affairs has notifed the Companies (Indian Accounting Standards) Amendment Rule, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The company applied for these first time amendments.

3.2.1 Definition of Accounting Estimates - Amendment to IND AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's standalone financial statements.

3.2.2 Disclosure of Accounting Policies - Amendments to IND AS 1

The amendment aims to replace the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and guidance on how entities apply the concept of materiality.
This had had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

3.2.3 Deferred Tax Related to Assets And Liabilities Arising from a Single Transaction - Amendment to IND AS 12

The amendment narrows the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a seperate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets. Since these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There is also no impact on the opening retained earnings as at 1 April 2022
There are no standards that are notified and not yet effective as on the date.

4. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	2.38	1.01
Balances with banks:		
- In Current Accounts	34,629.95	12,388.80
- In Fixed Deposit (with original maturity of 3 months or less)	95,438.43	66,317.78
Cheques on hand	5.23	-
Total	**1,30,075.99**	**78,707.59**

5. Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits (with original maturity more than 3 months)		
Encumbered (refer note 5.1)	2,630.76	3,278.83
Unencumbered	20,329.98	31,003.05
Total	**22,960.74**	**34,281.88**

5.1 Encumbrances on Fixed Deposits held by the Company

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits pledged for:		
Availing credit enhancement towards securitisation transactions		
DCB Bank	951.39	1,672.86
ICICI Bank	1,678.24	1,604.92
Bank Overdrafts		
Bank of Baroda	1.13	1.05
Total	**2,630.76**	**3,278.83**

6. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables- Unsecured; Considered Good	919.38	832.98
Trade Receivables- Unsecured; Which has significant increase in credit risk	47.71	47.71
Total	**967.09**	**880.69**
Impairment Loss Allowance	47.71	47.71
Net receivables	**919.38**	**832.98**

No trade or other receivable is due from directors or other officer of the Company either severally or jointly with any other person. Nor any trade or other receivable is due from firm or private companies respectively in which any director is a partner or director or a member.The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Particulars			Outstanding for following periods from due date of payment					
As at March 31, 2024	Unbilled due	Not due	0- 6 Months	6 months– 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	583.75	319.37	16.06	0.20	-	-	-	**919.38**
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	**-**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	47.71	**47.71**
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-	**-**
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-	**-**
Total	**583.75**	**319.37**	**16.06**	**0.20**	**-**	**-**	**47.71**	**967.09**

Particulars			Outstanding for following periods from due date of payment					
As at March 31, 2023	Unbilled due	Not due	0- 6 Months	6 months– 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	288.99	534.12	9.67	-	0.18	0.02	-	832.98
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	9.38	38.33	47.71
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-	
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-	-
Total	**288.99**	**534.12**	**9.67**	**-**	**0.18**	**9.40**	**38.33**	**880.69**

7. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
Term loans	12,52,085.50	8,46,588.21
Total – Gross (A)	12,52,085.50	8,46,588.21
Less: Impairment loss allowance (refer note 26)	12,403.45	9,241.30
Total – Net (A)	**12,39,682.05**	**8,37,346.91**
(a) Secured by tangible assets	2,43,935.11	1,82,148.83
(b) Secured by accounts receivables, fixed deposits, Insurance policy, government guarantee etc.*	78,670.70	51,652.97
(c) Unsecured	9,29,479.69	6,12,786.41
Total – Gross (B)	**12,52,085.50**	**8,46,588.21**
Less: Impairment loss allowance	12,403.45	9,241.30
Total – Net (B)	**12,39,682.05**	**8,37,346.91**
(I) Loans in India		
Public Sector	-	-
Others	12,52,085.50	8,46,588.21
Total - Gross (C)	12,52,085.50	8,46,588.21
Less: Impairment loss allowance	12,403.45	9,241.30
Total - Net (C)	**12,39,682.05**	**8,37,346.91**
(II) Loans outside India	**-**	**-**
Total (C)	**12,39,682.05**	**8,37,346.91**

* Includes loans temporarily secured by lien over balance in bank accounts of the borrower until their stated utilisation. The total amount of such lien is ₹70,229.86 and ₹35,432.42 as at March 31, 2024 and March 31, 2023 respectively.

7.1 The business model of the company is to hold the assets for generating contractual cash flows on account of principal and interest and hence these are held at amortised cost. Sales, if any are insignificant and do not impact the business model.

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification.

(₹ in Lakhs)

		As at March 31, 2023		
Category	**Assets category**	**Gross Carrying Amount**	**Expected Credit Loss**	**Net Carrying Amount**
Stage 1 – High quality assets	Loan	12,34,759.86	5,829.33	12,28,930.53
Stage 2 – Assets including restructured assets for which there is significant increase in credit risk	Loan	12,002.17	2,863.35	9,138.82
Stage 3 - Credit impaired assets	Loan	5,323.47	3,710.77	1,612.70
Total		**12,52,085.50**	**12,403.45**	**12,39,682.05**

(₹ in Lakhs)

		As at March 31, 2024		
Category	**Assets category**	**Gross Carrying Amount**	**Expected Credit Loss**	**Net Carrying Amount**
Stage 1 – High quality assets	Loan	8,21,842.37	1,845.43	8,19,996.94
Stage 2 – Assets including restructured assets for which there is significant increase in credit risk	Loan	20,024.63	4,123.08	15,901.55
Stage 3 - Credit impaired assets	Loan	4,721.21	3,272.79	1,448.42
Total		**8,46,588.21**	**9,241.30**	**8,37,346.91**

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

(₹ in Lakhs)

FY 2023-24	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	8,21,842.37	20,024.63	4,721.21	**8,46,588.21**
Transfer during the year				
Transfers to Stage 1	1,621.06	(1,463.96)	(157.10)	**-**
Transfers to Stage 2	(2,206.95)	2,441.25	(234.30)	**-**
Transfers to Stage 3	(2,820.02)	(2,774.84)	5,594.86	**-**
Credit exposure during the year, net of repayments	4,16,323.40	(6,224.91)	(712.99)	**4,09,385.50**
Amounts written off (net of recovery)	-	-	(3,888.21)	**(3,888.21)**
Gross carrying amount closing balance*	**12,34,759.86**	**12,002.17**	**5,323.47**	**12,52,085.50**

*No. of loan accounts with principal and/or interest overdue as at March 31, 2024 is 1,495 (Stage 1), 2,645 (Stage 2) and 1,851 (Stage 3)

(₹ in Lakhs)

FY 2022-23	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,52,814.27	19,997.72	6,189.88	**4,79,001.87**
Transfer during the year				
Transfers to Stage 1	1,006.77	(572.47)	(434.30)	**-**
Transfers to Stage 2	(2,876.97)	3,562.59	(685.62)	**-**
Transfers to Stage 3	(1,181.00)	(1,321.25)	2,502.25	**-**
Credit exposure during the year, net of repayments	3,72,079.30	(1,641.96)	(30.17)	**3,70,407.17**
Amounts written off (net of recovery)	-	-	(2,820.83)	**(2,820.83)**
Gross carrying amount closing balance*	**8,21,842.37**	**20,024.63**	**4,721.21**	**8,46,588.21**

*No. of loan accounts with principal and/or interest overdue as at March 31, 2023 is 4,251 (Stage 1), 3,540 (Stage 2) and 1,957 (Stage 3)

(₹ in Lakhs)

FY 2023-24	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balances	1,845.43	4,123.08	3,272.79	**9,241.30**
Transfer during the year				
Transfers to Stage 1	23.55	(21.67)	(1.88)	**-**
Transfers to Stage 2	(747.79)	834.66	(86.87)	**-**
Transfers to Stage 3	(829.11)	(842.00)	1,671.11	**-**
Credit exposure during the year, net of repayments	5,537.25	(1,230.72)	2,743.83	**7,050.36**
Amounts written off (net of recovery)	-	-	(3,888.21)	**(3,888.21)**
ECL allowance - closing balance#	**5,829.33**	**2,863.35**	**3,710.77**	**12,403.45**

(₹ in Lakhs)

FY 2022-23	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balances	1,782.76	1,949.40	3,671.07	**7,403.23**
Transfer during the year				
Transfers to Stage 1	6.23	(4.53)	(1.70)	**-**
Transfers to Stage 2	(532.95)	660.06	(127.11)	**-**
Transfers to Stage 3	(642.80)	(859.77)	1,502.57	**-**
Credit exposure during the year, net of repayments	1,232.19	2,377.92	1,048.71	**4,658.82**
Amounts written off (net of recovery)	-	-	(2,820.75)	**(2,820.75)**
ECL allowance - closing balance#	**1,845.43**	**4,123.08**	**3,272.79**	**9,241.30**

The ECL shown above is computed on EAD which comprises of the gross carrying amount adjusted for the following amounts:

Particulars	As at March 31 2024	As at March 31, 2023
Undisbursed Loan	1,05,870.95	79,554.64

7.2 There are no loans which are granted 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 repayable on demand or without specifying any terms or period of repayment.

7.3 All the secured non-convertible debentures (NCD) of the Company including those issued during the year ended 31 March 2024, term loans from banks, financial institutions, external commercial borrowings, securitisation liabilities and cash credit/ bank overdraft from banks are fully secured by hypothecation of book debts/loan receivables.

8. Investments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost		
- Treasury Bills (refer note 8.1 below)	24,314.56	6,441.69
	24,314.56	**6,441.69**
Total- Gross (A)	24,314.56	6,441.69
i) Investments in India	24,314.56	6,441.69
ii) Investments outside India	-	-
Total- Gross (B)	24,314.56	6,441.69
Less: Allowance for impairment loss (C)	-	-
Total Net D (A-C)	24,314.56	6,441.69

Note 8.1

Name of instrument	As at March 31, 2024		As at March 31, 2023	
	No of units	Amount	No of units	Amount
Treasury Bill				
182 DTB 04-04-2024 - 7.09%	10,00,000	999.25	-	-
182 DTB 04-04-2024 - 7.09%	20,00,000	1,998.50	-	-
182 DTB 04-04-2024 - 7.09%	20,00,000	1,998.50	-	-
91 DTB 18-04-2024 - 6.96%	25,00,000	2,492.03	-	-
182 DTB 25-04-2024 - 7.00%	15,00,000	1,493.24	-	-
182 DTB 09-05-2024 - 7.01%	25,00,000	2,482.26	-	-
182 DTB 16-05-2024 - 7.03%	25,00,000	2,478.95	-	-
91 DTB 16-05-2024 - 7.01%	25,00,000	2,478.98	-	-
182 DTB 30-05-2024 - 6.85%	25,00,000	2,472.78	-	-
182 DTB 06-06-2024 - 6.92%	25,00,000	2,469.27	-	-
182 DTB 13-06-2024 - 6.91%	25,00,000	2,466.08	-	-
364 DTB 12-09-2024 - 7.05%	5,00,000	484.72	-	-
182 DTB 28-07-2023 - 6.87%	-	-	5,00,000	489.24
91 DTB 28-04-2023 - 6.51%	-	-	10,00,000	995.19
91 DTB 28-04-2023 - 6.60%	-	-	20,00,000	1,990.30
91 DTB 04-05-2023 - 6.60%	-	-	10,00,000	994.08
182 DTB 15-06-2023 - 6.70%	-	-	20,00,000	1,972.88
Total (B)	**2,45,00,000.00**	**24,314.56**	**65,00,000**	**6,441.69**

9. Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	1,323.50	588.01
Other advances*	126.60	5,350.52
Total	**1,450.10**	**5,938.53**

*Includes ₹13.67 lakhs and ₹5,350.36 lakhs as at March 31 2024 and as at March 31 2023 respectively receivable from third parties upon cancellation of loans.

10 a. Current Tax (Liability)/Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source (Net of provision for tax ₹21,623 lakhs (March 31, 2023: ₹11,649 lakhs))	1,906.01	1,952.84
Total	**1,906.01**	**1,952.84**

10 b. Deferred Tax Assets (Net)

Particulars	Balance as at 1 April 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	Balance as at 31 March, 2023	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	Balance as at 31 March, 2024
Tax effect of items constituting deferred tax assets:							
- Depreciation and amortisation	155.18	21.19	-	176.37	30.04	-	206.41
- Provision for gratuity and leave encashment	11.36	12.42	(5.98)	17.80	53.79	4.54	76.13
- Impairment of Financial instruments	1,551.65	523.97	-	2,075.62	907.48	-	2,983.10
- Measurement of Financial instruments at amortised cost	203.86	(144.08)	-	59.78	(59.78)	-	-
- Cash Flow Hedges Reserve	-	-	-	-	-	333.78	333.78
- Losses to be carry forwarded to future years	-	-	-	-	5.88		5.88
Deferred Tax Assets (A)	**1,922.05**	**413.50**	**(5.98)**	**2,329.57**	**937.41**	**338.32**	**3,605.30**
Tax effect of items constituting deferred liabilities:							
- Cash Flow Hedges Reserve	7.83	-	71.51	79.34	-	(79.34)	-
- Measurement of Financial instruments at amortised cost					2,657.61		2,657.61
Deferred Tax Liabilities (B)	**7.83**	**-**	**71.51**	**79.34**	**2,657.61**	**(79.34)**	**2,657.61**
Deferred tax assets/(liabilities) Net (A-B)	**1,914.22**	**413.50**	**(77.49)**	**2,250.23**	**(1,720.20)**	**417.66**	**947.69**

Income Tax Recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Current Tax:		
In respect of current year	9,968.72	5,727.94
In respect of prior years	-	-
	9,968.72	5,727.94
b)Deferred Tax		
In respect of current year origination and reversal of temporary differences	1,720.20	(367.53)
In respect of prior years	-	-
	1,720.20	**(367.53)**
Total Income tax recognised in Statement of profit and loss	**11,688.92**	**5,360.41**

Income Tax Recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax related to items recognised in Other Comprehensive Income during the year		
Remeasurement of defined employee benefits	4.54	(5.98)
Cash Flow hedge reserve	333.78	(71.51)
Total Income tax recognised in Other Comprehensive Income	**338.32**	**(77.49)**

Reconciliation of Estimated Income Tax Expense at Tax Rate to Income Tax Expense Reported in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before tax	45,929.10	21,131.40
Applicable tax rate (%)	25.168%	25.168%
Expected income tax expense	11,559.44	5,318.36
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Tax on expenditure not considered for tax provision (net of allowance)	129.48	42.05
Income tax expense recognised in profit and loss	**11,688.92**	**5,360.41**
Effective tax rate	**25.45%**	**25.37%**

11. Property, Plant and Equipment

(₹ in Lakhs)

Description	Gross Block				Accumulated depreciation and impairment losses				Net Block
	As at 01.04.2023	Additions for the year	Deletions for the year	As at 31.03.2024	Up to 01.04.2023	Charge for the year	Deletions for the year	As at 31.03.2024	As at 31.03.2024
Property, Plant and Equipment									
Owned Assets:									
Freehold land #	12.45	-	-	12.45	-	-	-	-	12.45
Leasehold improvements	319.30	202.99	-	522.29	300.40	140.77	-	441.17	81.12
Computers	945.63	338.43	-	1,284.06	606.78	250.08	-	856.86	427.20
Office Equipment	547.51	67.77	-	615.28	323.22	108.34	-	431.56	183.72
Furniture and fixtures	106.62	5.33	-	111.95	69.49	17.30	-	86.79	25.16
Vehicle	841.03	1,321.91	7.53	2,155.41	163.66	391.65	1.65	553.66	1,601.75
Total	**2,772.54**	**1,936.43**	**7.53**	**4,701.44**	**1,463.55**	**908.14**	**1.65**	**2,370.05**	**2,331.40**
Leased Assets									
Right of use assets - Premises	1,526.07	4,592.34	-	6,118.41	1,177.49	539.32	-	1,716.82	**4,401.59**
Intangible Assets									
Computer Software	3,406.81	1,330.49	-	4,737.30	2,772.33	613.19	-	3,385.52	**1,351.78**

(₹ in Lakhs)

Description	Gross Block				Accumulated depreciation and impairment losses				Net Block
	As at 01.04.2022	Additions for the year	Deletions for the year	As at 31.03.2023	Up to 01.04.2022	Charge for the year	Deletions for the year	As at 31.03.2023	As at 31.03.2023
Property, Plant and Equipment									
Owned Assets:									
Freehold land #	12.45	-	-	12.45	-	-	-	-	12.45
Leasehold improvements	295.88	23.42	-	319.30	285.07	15.33	-	300.40	18.90
Computers	620.79	324.84	-	945.63	418.23	188.55	-	606.78	338.85
Office Equipment	417.92	129.59	-	547.51	225.29	97.93	-	323.22	224.29
Furniture and fixtures	104.38	2.24	-	106.62	52.79	16.70	-	69.49	37.13
Vehicle	266.46	660.59	86.02	841.03	73.52	113.02	22.88	163.66	677.37
Total	**1,717.88**	**1,140.68**	**86.02**	**2,772.54**	**1,054.90**	**431.53**	**22.88**	**1,463.55**	**1,308.99**
Leased Assets									
Right of use assets - Premises	1,387.88	138.19	-	1,526.07	900.10	277.39	-	1,177.49	**348.58**
Intangible Assets									
Computer Software	2,926.83	479.98	-	3,406.81	2,151.17	621.16	-	2,772.33	**634.48**

#The Company had mortgaged one of its freehold land in Chennai on exclusive charge against specific secured NCDs.

Capital Work in Progress Aging Schedule

(₹ in Lakhs)

Intangible assets under development	Amount in Capital work in progress as at 31 March 2024				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	886.70	-	-	-	**886.70**
Projects temporarily suspended	-	-	-	-	-

There were no projects in capital work in progress for the period of FY 2022-23.

Intangible Assets under Development Aging Schedule

(₹ in Lakhs)

Intangible assets under development	Amount in Intangible assets under developement as at 31 March 2024				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	1,120.22	8.72	-	-	**1,128.94**
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development	Amount in Intangible assets under developement as at 31 March 2023				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Projects in progress	464.12	-	-	-	**464.12**
Projects temporarily suspended	-	-	-	-	-

Note:
1) The Company does not have any project temporary suspended and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence intangible asset under development completion schedule is not applicable.
2) There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.
3) The Company has not revalued its Property, Plant and Equipment (including Right–of–Use Assets and Intangible assets)

12. Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses	510.61	329.22
Balances with Government Authorities	538.12	482.02
Compensated absences Fund	-	65.97
Other Advances	944.62	361.44
Total	**1,993.35**	**1,238.65**

13. Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	8.50	77.72
- Total outstanding dues of creditors other than micro and small enterprise	7,502.18	5,396.02
Total	**7,510.68**	**5,473.74**

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Disclosure pertaining to Micro and Small Enterprises as at March 31, 2024 are as under :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8.50	77.72
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**8.50**	**77.72**

Particulars			Outstanding for following periods from due date of payment				
As at 31 March 2024	Unbilled Due	Not Due	0-1 years	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	-	8.50	-	-	-	8.50
Total outstanding dues of creditors other than micro and small enterprises	7,242.70	6.18	252.13	1.17	-	-	7,502.18
Disputed dues of micro and small enterprise	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprise	-	-	-	-	-	-	-
Total	**7,242.70**	**6.18**	**260.63**	**1.17**	**-**	**-**	**7,510.68**

Particulars			Outstanding for following periods from due date of payment				
As at 31 March 2023	Unbilled Due	Not Due	0-1 years	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro and small enterprises	-	32.64	45.08	-	-	-	77.72
Total outstanding dues of creditors other than micro and small enterprises	4,785.59	206.20	403.09	1.14	-	-	5,396.02
Disputed dues of micro and small enterprise	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprise	-	-	-	-	-	-	-
Total	**4,785.59**	**238.84**	**448.17**	**1.14**	**-**	**-**	**5,473.74**

14. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Secured		
Non Convertible Debentures (refer note 14.1, 14.2 and 14.3)	3,05,343.64	2,82,387.50
Total	**3,05,343.64**	**2,82,387.50**
Debt Securities in India	3,05,343.64	2,82,387.50
Debt Securities outside India	-	-
Total	**3,05,343.64**	**2,82,387.50**

14.1 All the secured non-convertible debentures (NCD) of the Company including those issued during the year ended March 31, 2024 are fully secured by hypothecation of book debts/loan receivables. Additionally, the Company had mortgaged one of its freehold land in Chennai on pari passu charge against specific secured NCDs. The Company has, at all times, for the secured NCDs, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.

14.2 Details of Non-convertible Debentures (NCD) (Secured) as at 31 March 2024

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD (Secured)				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
Redeemable at par and at maturity					
Up to 2 years	40,100.00	-	-	-	40,100.00
Over 2 to 3 years	70,000.00	67,500.00	65,500.00	-	2,03,000.00
Over 3 to 4 years	-	-	37,500.00	-	37,500.00
Over 4 years	-	4,000.00	-	2,500.00	6,500.00
Total at face value	**1,10,100.00**	**71,500.00**	**1,03,000.00**	**2,500.00**	**2,87,100.00**
Interest accrued but not due					19,671.12
Impact of EIR (including premium and discount on NCD)					(1,427.48)
Total amortised cost					**3,05,343.64**

-Interest rate ranges from 9.05% to 10.25% as at March 31, 2024

14.3 Details of Non-convertible Debentures (NCD) (Secured) as at 31 March 2023

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD (Secured)				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	
Redeemable at par					
Up to 2 years	76,000	40,100	-	-	1,16,100.00
Over 2 to 3 years	10,000	70,000	60,000	-	1,40,000.00
Over 3 to 4 years	-	-	-	7,500	7,500.00
Over 4 years	-	-	4,000	-	4,000.00
Redeemable at par and payable quarterly					
Up to 2 years	6,000	-	-	-	6,000.00
Total at face value	**92,000.00**	**1,10,100.00**	**64,000.00**	**7,500.00**	**2,73,600.00**
Interest accrued but not due					10,889.84
Impact of EIR					(2,102.34)
Total amortised cost					**2,82,387.50**

-Interest rate ranges from 7.40% to 10.10% as at March 31, 2023

15. Borrowings (Other Than Debt Securities)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
At amortised cost (within India) Secured		
Term Loans from Banks (refer note 15.1, 15.2 and 15.3)	5,73,369.29	3,72,141.56
Term Loans from Financial institutions (refer note 15.1, 15.4 and 15.5)	18,775.80	15,082.99
Cash Credit from Banks (refer note 15.6 and 15.7)	1,628.72	-
Securitisation liabilities (refer note 15.8 and 15.9)	16,387.68	32,801.54
Total (A)	**6,10,161.49**	**4,20,026.09**
At amortised cost (outside India)		
Secured		
External commercial borrowing (ECB) (refer note 15.10 and 15.11)	92,972.23	10,891.69
Total (B)	92,972.23	10,891.69
Total (C) = (A) + (B)	**7,03,133.72**	**4,30,917.78**

15.1 Term loans from Banks and Financial institutions, cash credit from banks and securitisation liablities of the Company including those borrowed during the year ended 31 March 2024 are fully secured by hypothecation of book debts, loan receivables and fixed deposits.

15.2 Details of Term Loans from Banks (Secured) as at 31 March 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on maturity										
Up to 2 years	1	490.00	-	-	-	-	-	-	1	490.00
Repayable quarterly										
Up to 2 years	4	2,997.74	-	-	-	-	-	-	4	2,997.74
Over 2 to 3 years	10	3,166.67	7	2,416.67	2	581.95	-	-	19	6,165.29
Over 3 to 4 years	47	17,966.16	50	18,663.76	36	12,716.03	17	3,963.41	150	53,309.36
Over 4 years	204	1,08,571.36	177	99,496.02	161	93,876.61	160	1,00,093.29	702	4,02,037.28
Repayable monthly										
Over 2 to 3 years	12	3,636.36	12	3,636.36	2	602.78	-	-	26	7,875.50
Over 3 to 4 years	12	1,683.57	3	281.25	-	-	-	-	15	1,964.82
Over 4 years	170	26,166.95	168	25,916.95	146	24,341.96	165	25,716.60	649	1,02,142.46
Total Face value		**1,64,678.81**		**1,50,411.01**		**1,32,119.33**		**1,29,773.30**		**5,76,982.45**
Interest accrued but not due										15.44
Impact of EIR										(3,628.60)
Total amortised cost										**5,73,369.29**

-Interest rate ranges from 9.12% to 10.80% p.a as at March 31, 2024.

15.3 Details of Term Loans from Banks (Secured) as at 31 March 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable half -yearly										
Over to 4 years	5	2,096.09	-	-	-	-	-	-	5	2,096.09
Repayable quarterly										
Up to 2 years	4	3,000.00	4	3,000.00	-	-	-	-	8	6,000.00
Over 2 to 3 years	8	2,333.33	6	2,000.00	3	1,250.00	-	-	17	5,583.33
Over 3 to 4 years	21	8,993.13	24	11,608.52	22	10,959.80	9	5,552.75	76	37,114.20
Over 4 years	181	68,726.91	169	70,105.70	131	55,928.82	191	76,506.75	672	2,71,268.18
Repayable monthly										
Over 3 to 4 years	20	1,708.33	12	1,125.00	3	281.25	-	-	35	3,114.58
Over 4 years	84	11,700.00	84	11,700.00	84	11,700.00	89	13,915.67	341	49,015.67
Total Face value		**98,557.79**		**99,539.22**		**80,119.87**		**95,975.17**		**3,74,192.05**
Interest accrued but not due										68.82
Impact of EIR										(2,119.30)
Total amortised cost										**3,72,141.57**

-Interest rate ranges from 8.30% to 10.75% p.a as at March 31, 2023.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets
The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company.

15.4 Details of Term Loans from Financial Institutions as at 31 March 2024

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on yearly										
Over 4 years	2	1,500.00	2	1,500.00	2	1,500.00	-	-	6	4,500.00
Repayable monthly										
Over 3 to 4 years	60	5,746.08	55	5,359.50	21	2,500.00	5	595.24	141	14,200.82
Total Face value		**7,246.08**		**6,859.50**		**4,000.00**		**595.24**		**18,700.82**
Interest accrued but not due										115.30
Impact of EIR										(40.32)
Total amortised cost										**18,775.80**

-Interest rate ranges from 6.00% to 10.15% p.a as at March 31, 2024.

15.5 Details of Term Loans from Financial Institutions as at 31 March 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on maturity										
Up to 2 years	1	490.00	-	-	-	-	-	-	1	490.00
Repayable on yearly										
Over 4 years	2	1,500.00	2	1,500.00	2	1,500.00	2	1,500.00	8	6,000.00
Repayable monthly										
Over 3 to 4 years	35	2,816.02	36	2,888.94	31	2,502.36	-	-	102	8,207.32
Over 4 years	4	413.17	-	-	-	-	-	-	4	413.17
Total Face value		**5,219.19**		**4,388.94**		**4,002.36**		**1,500.00**		**15,110.49**
Interest accrued but not due										0.33
Impact of EIR										(27.83)
Total amortised cost										**15,082.99**

-Interest rate ranges from 6.00% to 10.75% p.a as at March 31, 2023.

15.6 Details of Cash Credit from Banks as at 31 March 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on yearly										
Up to 2 years	1	1,628.72	-	-	-	-	-	-	1	1,628.72
Total amortised cost		**1,628.72**								**1,628.72**

-Interest rate is at 9.30% p.a as at March 31, 2024.

15.7 There were No Cash Credit from Banks as at 31 March 2023

15.8 Details of Securitisation Liabilities as at 31 March 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable bullet										
Over 4 years	-	-	-	-	-	-	1	353.59	1	354
Repayable monthly										
Over 4 years	51	8,919.78	30	1,917.72	24	2,063.40	43	3,106.86	148	16,008
Total Face value		**8,919.78**		**1,917.72**		**2,063.40**		**3,460.45**		**16,361.35**
Interest accrued but not due										50.18
Impact of EIR										(23.85)
Total amortised cost										**16,387.68**

-Interest rate ranges from 8.00% to 10.15% p.a as at March 31, 2024.

15.9 Details of Securitisation Liablities as at 31 March 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable bullet										
Over 4 years	-	-	-	-	-	-	1	353.59	1	353.59
Repayable monthly										
Over 4 years	75	11,214.41	60	10,975.02	29	3,724.92	65	6,536.34	229	32,450.69
Total Face value		**11,214.41**		**10,975.02**		**3,724.92**		**6,889.93**		**32,804.28**
Interest accrued but not due										73.47
Impact of EIR										(76.21)
Total amortised cost										**32,801.54**

-Interest rate ranges from 8.00% to 10.25% p.a as at March 31, 2023.

15.10 Details of External Commercial Borrowings as at 31 March 2024

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable on maturity										
Over 2 to 3 years	-	-	-	-	1	36248.55	-	-	1	36,249
Over 3 to 4 years	-	-	-	-	1	48261.8	-	-	1	48,262
Repayable quarterly										
Over 4 years	4	1,555.88	4	1,555.88	4	1,555.88	13	5,056.59	25	9,724
Total Face value	-	**1,555.88**	-	**1,555.88**	-	**86,066.23**	-	**5,056.59**	-	**94,234.58**
Interest accrued but not due	-	-	-	-	-	-	-	-	-	416.59
Impact of EIR and fair value	-	-	-	-	-	-	-	-	-	(1,678.94)
Total amortised cost	-	-	-	-	-	-	-	-	-	**92,972.23**

-Interest rate ranges from 9.90% to 10.30% p.a as at March 31, 2024.

15.11 Details of External Commercial Borrowings as at 31 March 2023

(₹ in Lakhs)

Original maturity of loans	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due more than 3 years			
	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount	Total number of installments	Amount
Repayable quarterly										
Over 4 years	4	1,381.12	4	1,381.12	4	1,381.12	17	5,869.77	29	10,013.14
Total Face value	-	**1,381.12**	-	**1,381.12**	-	**1,381.12**	-	**5,869.77**	-	**10,013.14**
Interest accrued but not due	-	-	-	-	-	-	-	-	-	29.27
Impact of EIR and fair value	-	-	-	-	-	-	-	-	-	849.28
Total amortised cost	-	-	-	-	-	-	-	-	-	**10,891.69**

-Interest rate is at 9.70% p.a as at March 31, 2023.

15.12 The rate of interest for the above term loans is linked to the MCLR/base rates of the banks and is subject to change from time to time. The above categorisation of loans have been based on the interest rates, prevalent as on the respective reporting dates.
15.13 Cash credit facility from bank is secured against loan receivables and bank overdraft is secured against fixed deposit with bank.
15.14 The borrowings have not been guaranteed by directors or others. Also, the Company has not defaulted in repayment of principal and interest.

16. Subordinated Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Non Convertible Debentures (refer note 16.1 and 16.2)	5,047.52	7,707.35
Total	**5,047.52**	**7,707.35**
Subordinated liablities in India	5,047.52	7,707.35
Subordinated liablities outside India	-	-
Total	**5,047.52**	**7,707.35**

16.1 Details of Non Convertible Debentures (Unsecured) as at 31 March 2024

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD				Total
	Due within 1 year	Due in to 2 years	Due in 2 to 3 years	Due in more than 3 years	
	Amount	Amount	Amount	Amount	
Repayable on maturity					
Over 4 years	-	-	-	5,000	5,000
Total Face value	-	-	-	**5,000**	**5,000**
Interest accrued but not due					78.76
Impact of EIR					(31.24)
Total amortised cost					**5,047.52**

-Interest rate ranges from 9.35% to 9.50% p.a as at March 31, 2024.

16.2 Details of Non Convertible Debentures (Unsecured) as at 31 March 2023

(₹ in Lakhs)

Original maturity of loan	Residual maturity of NCD				Total
	Due within 1 year	Due in to 2 years	Due in 2 to 3 years	Due in more than 3 years	
	Amount	Amount	Amount	Amount	
Repayable on maturity					
Over 4 years	2,500	-	-	5,000	7,500
Total Face value	**2,500**	-	-	**5,000**	**7,500**
Interest accrued but not due					251.51
Impact of EIR					(44.16)
Total amortised cost					**7,707.35**

-Interest rate ranges from 9.35% to 10.50% p.a as at March 31, 2023.

17. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits Payable	3,340.53	2,173.91
Advance received from customers	9,632.97	16,119.08
Book overdraft	8,998.28	6,060.39
Loan Payable*	14,596.22	5,236.36
Lease liability (Refer note 31)	4,461.50	405.56
Amounts payable under Direct assignment & Co-lending arrangement	1,472.25	767.42
Total	**42,501.75**	**30,762.72**

*Towards request for disbursement received from borrowers against loans duly sanctioned and contracted

18. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits		
- Gratuity (refer note 36)	242.92	136.69
- Compensated absences Fund	59.55	-
Total	**302.47**	**136.69**

19. Other Non-Financial Labilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	1,708.38	861.65
Total	**1,708.38**	**861.65**

20. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
AUTHORISED		
175,000,000 Equity Shares of ₹10 each	17,500.00	17,500.00
(FY 2022-23 175,000,000 Equity Shares of ₹10 each)		
25,000,000 Preference Shares of ₹10 each	2,500.00	2,500.00
(FY 2022-23 25,000,000 Preference Shares of ₹10 each)		
	20,000.00	**20,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP		
125,911,616 Equity Shares of ₹10 each	12,591.16	10,663.80
(FY 2022-23 106,638,002 Equity Shares of ₹10 each)		
	12,591.16	**10,663.80**

Subsequent to March 31, 2024, the Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from ₹10 per share to ₹5 per share.

20.1 (A) Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the End of the Reporting Period

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,66,38,002	10,663.80	8,25,91,861	8,259.19
Shares issued during the year	1,92,73,614	1,927.36	2,40,46,141	2,404.61
Shares outstanding at the end of the year	**12,59,11,616**	**12,591.16**	**10,66,38,002**	**10,663.80**

20.1 (B) Reconciliation of Number of Compulsorily Convertible Preference Shares (Ccps) Outstanding at the Beginning And At the End of the Reporting Period

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year (refer 20.1(d))	-	-	2,11,89,895	2,118.99
CCPS converted to equity during the year	-	-	(2,11,89,895)	(2,118.99)
Closing balance	**-**	**-**	**-**	**-**

20.1 (C) Shares Reserved for Issue under Employee Stock Option Plan

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares of ₹ 10 fully paid up		
Number of Shares reserved for ESOPs (Refer note 39)	42,66,041	45,67,096

20.1 (D) Rights, Preferences and Restrictions

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the 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.

The Compulsorily Convertible Preference Shares (CCPS) issued during the financial year 2022-23 were subsequently converted to equity shares on January 19, 2023.

20.1 (E) List of Shareholders holding more than 5% Shares

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
Olive Vine Investment Ltd*	7,46,97,037	59.32%	7,46,97,037	70.05%
Kedaara Capital Growth Fund III LLP	1,76,88,940	14.05%	1,32,66,705	12.44%
International Finance Corporation	1,45,40,892	11.55%	1,86,74,260	17.51%
Alpha Investment Company LLC	1,29,40,331	10.28%	-	0.00%

* Including shares held jointly with nominee Shareholders

20.1. (F) Shareholding of Promoters

As at March 31, 2024

S. No.	Promoter Name	No of Shares at the beginning of the year	Change during the year	No of Shares at the end of the year	% of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid	Olive Vine Investment Ltd*	7,46,97,037	-	7,46,97,037	59.32%	-

As at March 31, 2023

S. No.	Promoter Name	No of Shares at the beginning of the year	Change during the year	No of Shares at the end of the year	% of total shares	% Change during the year
Equity shares of ₹ 10 each fully paid	Olive Vine Investment Ltd*	6,60,73,488	86,23,549	7,46,97,037	70.05%	(9.95%)

21. Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium	2,88,163.93	1,71,032.71
General Reserve	47.45	38.80
Statutory Reserve (under Section 45-IC (1) of the Reserve Bank of India Act, 1934)	13,374.54	6,523.15
Stock Options Reserve	1,904.22	1,305.77
Cash Flow Hedge Reserve	(992.45)	235.88
Foreign Currency Translation Reserve	35.27	-
Retained Earnings	52,547.30	25,171.99
TOTAL	**3,55,080.27**	**2,04,308.30**

Note: For additions and deductions under each of the above heads, refer Statement of Changes in Equity

Description of the Nature and purpose of Other Equity

Securities Premium

Securities premium account is used to record the premium on issue of shares and utilisation towards share issue expenses. It can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the company continues to transfer to general reserves employees stock options that are expired unexcerised or upon forfeiture of options granted.

Statutory Reserve as per Section 45–IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared.

Employees Stock Option Reserve

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity-settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Cash Flow Hedge Reserve:

It represents the cumulative gain/(loss) arising on revaluation of the derivative instruments designated as cash flow hedges through other comprehensive income.

Foreign Currency Translation Reserve:

It represents the accumulated gain or loss resulting from the translation of financial statements denominated in a foreign currency into the Company's reporting currency

Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, statutory reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

22. Interest Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost		
- Interest on Loans	1,38,643.32	84,928.25
- Interest Income on fixed deposits with bank	4,509.31	3,536.04
- Interest Income from Treasury bills	1,220.20	223.61
Total	**1,44,372.83**	**88,687.90**

23. Fees and Commission Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Type of services		
Forex commission	5,180.02	2,562.15
Insurance commission	9,294.72	1,599.02
Prepayment & other fees and charges	3,954.96	3,152.76
Total	**18,429.70**	**7,313.93**

Set out below is the revenue from contracts with customers and reconciliation to the statement of profit and loss

Geographical markets		
- India	18,429.70	7,313.93
- Outside India	-	-
Total	**18,429.70**	**7,313.93**

Timing of revenue recognition		
Services transferred at a point in time	18,429.70	7,313.93
Services transferred over time	-	-
Total	**18,429.70**	**7,313.93**

Note: For receivable balances against the income, refer note no 6.

24. Net Gain on Fair Value Changes

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Realised gain on sale of mutual funds - at FVTPL	1,324.94	660.32
Unrealised gain on mutual funds - at FVTPL	-	-
Total	**1,324.94**	**660.32**

25. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	53,943.58	29,211.47
Interest on debt securities	30,099.89	20,093.47
Interest on subordinated liabilities	737.45	746.80
Interest on securitisation liabilities	2,172.17	3,750.65
Finance cost on lease liability	80.88	57.20
Other finance charges	529.84	124.68
Total	**87,563.79**	**53,984.27**

Note: There are no financial liabilities measured at FVTPL.

26. Impairment of Financial Instruments

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial assets measured at amortised cost		
Expected credit loss	3,321.17	1,838.08
Bad debts written off	4,638.11	2,820.83
Total	**7,959.29**	**4,658.91**

27. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Bonus and other allowances	12,456.10	9,331.70
Contribution to Provident Fund and Other Funds (refer note 36)Gratuity	485.85	338.23
(refer note 36)	117.46	109.13
Employee share based payment expenses	747.90	490.24
Staff Welfare Expenses	281.56	189.29
Total	**14,088.87**	**10,458.59**

28. Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Electricity Charges	103.98	76.89
Security Charges	15.71	11.53
Manpower Outsourcing	1,698.41	458.24
Rent	237.67	190.73
Office Maintenance	79.78	44.99
Insurance Charges	190.07	161.38
Rates and Taxes	104.16	101.68
Housekeeping Expenses	172.13	102.73
Business Sourcing Expenses	4,113.42	771.19
Travelling and Conveyance	1,110.01	714.60
Rating Fees	437.17	276.01
Printing and Stationery	133.05	91.45
Postage, Telephone and Fax	190.25	149.64
Advertising	78.43	148.43
Bank Charges	27.56	82.20
Information Technology Expense	3,645.62	1,975.72
Director's Remuneration & Sitting Fees	90.26	88.18
Legal & Professional Expenses	1,910.54	1,607.96
Auditors' Remuneration (refer note below)	100.41	92.65
Corporate Social Responsibilty expenses (refer note 35)	231.00	111.00
Miscellaneous Expenses	609.39	202.33
Total	**15,279.02**	**7,459.53**

Payments to Auditors (Including Goods and Services Tax to the Extent of Credit Not Availed)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) For audit and limited reviews	81.89	70.85
b) For certification	15.26	19.62
c) For reimbursement of expenses	3.26	2.18
Total	**100.41**	**92.65**

29. Earning per Equity Share

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	Profit attributable to equity share holders (₹ in lakh)	34,240.18	15,770.99
B	Weighted average number of equity shares outstanding during the year for calculating basic earnings per share (Nos.)	22,23,59,825	17,46,70,419
	Effect of dilution:		
	Employee stock options	51,96,545	35,73,517
C	Weighted average number of equity shares outstanding during the year for calculating diluted earnings per share (Nos.)	22,75,56,370	17,82,43,936
	Basic earnings per share (₹) (A/B)	15.40	9.03
	Diluted earnings per share (₹) (A/C)	15.05	8.85
	Nominal value per share (₹)	5.00	5.00

Subsequent to March 31, 2024, the Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from ₹10 per share to ₹5 per share. Accordingly, the earnings per share for the earlier periods have been recalculated based on revised number of shares.

(₹ in Lakhs)

Sr. No.	Particulars	As At March 31, 2024	As At March 31, 2023
30	**Contingent Liabilities And Commitments**		
	Contingent Liabilities		
	Against income tax appeal filed	316.83	-
	Capital Commitments:		
	Undisbursed commitments	1,05,870.95	79,554.64
	Estimated amount of contracts remaining to be executed on capital account and not provided for	816.90	169.74

Note: During the previous year, the company has paid income tax demand amounting to ₹734 lakhs for assessment year 2020-21 & ₹100 lakhs for assessment year 2021-22 under protest.

The Company is involved in certain litigations, including claims from revenue authorities, cases by/against customers, dispute with a third party towards invocation of guarantee and other matters arising in the normal course of business. These matters are pending at various forums and different stages of legal proceedings.

The Company has assessed the possible obligations arising from such claims, in accordance with the requirements of Ind AS 37, considering judicial precedents, consultation with lawyers and past experience. Accordingly, the Company is of the view that based on information currently available, no provision or disclosure as contingent liability is considered necessary in respect of these matters except as disclosed above.

31. Leases

In accordance with the IND AS 116 on "Leases", the following disclosures in respect of leases are made.

The Company has recognised Lease Liabilities and Right to use Assets as follows:

(₹ in Lakhs)

Sr. No.	Particulars	As At March 31, 2024	As At March 31, 2023
I.	**Lease Liabilities**		
	Opening Balance	405.56	566.43
	Add: Lease liabilities recognised during the year	4,592.33	138.20
	Less: Lease liabilities written off during the year	-	-
	Add: Interest accrued on lease liabilities	80.88	57.20
	Less: Lease payments	(617.27)	(356.27)
	Closing Balance of Lease Liabilities	**4,461.50**	**405.56**
II.	**Right of use assets (RoU assets)**		
	Opening balance	348.58	487.78
	Add: RoU assets recognised during the year	4,592.33	138.19
	Less: RoU assets written off during the year	-	-
	Less: Depreciation on RoU assets	(539.32)	(277.39)
	Closing balance of RoU assets	**4,401.59**	**348.58**

1. The aggregate depreciation expenses on RoU assets is included under depreciation and amortisation expenses in the Statement of Profit and Loss.

Table Showing Contractual Maturities of Lease Liabilities on an Undiscounted Basis:

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Less than one year	1,232.85	338.38
One to five years	4,197.10	128.20
More than five years	-	-
Total	**5,429.95**	**466.58**

Amount recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Interest on lease liabilities charged to finance cost	80.88	57.20
Depreciation charge for the period on RoU assets	539.32	277.39
Expense relating to short-term leases (included in Rent expenses under note 28 "Other expenses")	237.67	190.73
Expense relating to leases of low-value assets (included in Rent expenses under note 28 "Other expenses")	-	-
Total	**857.87**	**525.32**

Cash out flow on account of lease payments is ₹617.27 lakhs (previous year ₹356.27 lakhs)

The Company does not face significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

32. Segment Reporting

The Company operates in a single reportable operating segment of providing loans. Accordingly, there are no revenues from transactions with a single external customer which is more than 10% of total revenue, as per the IND AS on 'Operating Segments' (IND AS 108) prescribed under section 133 of the Companies Act, 2013.
The Company has its operation within India and all revenues are generated within India.

33. Change in Liabilities Arising from Financing Activities

(₹ in Lakhs)

Particulars	As at April 01, 2023	Cash Flows (Net)	Others (net)*	As at March 31, 2024
Debt securities	2,82,387.50	13,500.00	9,456.14	3,05,343.64
Borrowing other than debt securities	4,30,917.78	2,75,871.49	(3,655.55)	7,03,133.72
Subordinated liabilities	7,707.35	(2,500.00)	(159.83)	5,047.52
Lease Liability	405.56	(617.27)	4,673.21	4,461.50

Particulars	As at April 01, 2022	Cash Flows (Net)	Others (net)*	As at March 31, 2024
Debt securities	1,15,529.52	1,62,100.00	4,757.98	2,82,387.50
Borrowing other than debt securities	2,86,803.35	1,60,022.76	(15,908.33)	4,30,917.78
Subordinated liabilities	7,695.02	-	12.33	7,707.35
Lease Liability	566.43	(356.27)	195.40	405.56

*Includes the effect of interest accrued but not paid on borrowing, amortisation of processing fees and MTM gain/(loss) on cash flow hedge for ECB,

34. Transfer of Financial Assets

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Loans and advances measured at amortised cost	As at March 31, 2024	As at March 31, 2023
Carrying amount of transferred assets measured at amortised cost	26,791.14	43,394.52
Carrying amount of associated liabilities measured at amortised cost	(16,387.7)	(32,801.5)

35. Expenditure towards Corporate Social Responsibility as pOer Section 135 of the Companies Act, 2013 (Read with Schedule VII thereof)

a Gross amount required to be spent by the Company & approved by the board during the year – ₹231 lakhs (FY 2022-23 - ₹111 lakhs)

b **Amount spent by the Company during the year**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Amount spent	Amount unpaid/ provision	Total	Amount spent	Amount unpaid/ provision	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purpose other than (i) above	231.00	-	231.00	119.37	-	119.37

C. In case of Section 135(5) Unspent Amount

March 31, 2024

(₹ in Lakhs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	231.00	231.00	-

March 31, 2023

(₹ in Lakhs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
8.37	-	111.00	119.37	-

D. In case of Section 135(5) Excess Amount Spent

March 31, 2024

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	231.00	231.00	-

March 31, 2023

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	111.00	111.00	-

E. In case of Section 135(6) Details of Ongoing Projects

March 31, 2024

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In separate CSR unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR unspent account
-	-	231.00	231.00	-	-	-

March 31, 2023

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In separate CSR unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR unspent account
-	8.37	111.00	111.00	8.37	-	-

F. Nature of CSR Activities

CSR activities conducted during the year were focused on promoting education and training, enhancing employability skills for unemployed individuals, environmental sustainability and rural development and welfare measures

36. Employee Benefit:

Defined Contribution Plan

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

The Company's contribution to Provident Fund aggregating ₹485.63 lakh (Previous Year: ₹338.02 lakh) has been recognised in the Statement of Profit and Loss under the head Employees benefit expenses.

The Company's contribution to National Pension Scheme aggregating ₹60.15 lakh (Previous Year: ₹33.69 lakh) has been recognised in the Statement of Profit and Loss under the head Employees benefit expenses.

Defined Benefit Obligation Plan

The liability under the Payment of Gratuity Act,1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method.
The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Investment/Interest Rate Risk:

The Company is exposed to Investment/Interest risk, if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

Longevity Risks:

The Company is not exposed to risk of the employees living longer, as the benefit under the scheme ceases on the employee separating from the employer for any reason.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

A) The Assumptions used for the Purposes of the Actuarial Valuations were as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Significant assumptions		
Discount rate	6.92%	7.02%
Expected rate of salary increase	10.00%	10.00%
Attrition rate (Past service- 0 to 42)	37.00%	37.00%
Other assumption		
Mortality rate	Indian Assured Lives (2012-14) Ultimate	Indian Assured Lives (2012-14) Ultimate

B) Amount recognised in Balance Sheet in respect of these Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	406.95	290.40
Fair value of plan assets	164.03	153.71
Net liability	242.92	136.69

C) Amount recognised in Statement of Profit and Loss in Respect of these Defined Benefit Obligation:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	111.09	106.34
Net interest cost	6.37	2.79
Past service cost	-	-
Total amount recognised in statement of profit and loss	**117.46**	**109.13**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss	18.02	(23.77)
Total amount recognised in other comprehensive income	**18.02**	**(23.77)**
Total	**135.48**	**85.36**

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the statement of profit and loss.

D) Movement in the Present Value of the Defined Benefit Obligation are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	290.40	218.69
Current service cost	111.09	106.34
Past service cost	-	-
Interest cost	17.17	10.21
Remeasurements (gains)/losses:		
- Actuarial gain from change in demographic assumptions	-	(15.83)
- Actuarial loss from change in financial assumptions	1.01	2.33
- Actuarial gain from change in experience adjustments	16.55	(8.04)
Benefits paid	(29.27)	(23.30)
Closing defined benefit obligation	**406.95**	**290.40**

E) Movement in the Fair Value of Plan Assets are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	153.71	144.07
Interest income	10.79	7.42
Return on plan assets (excluding interest income)	(0.47)	2.22
Contributions by employer	-	-
Adjustment due to change in opening balance of plan assets	-	-
Actual Benefits paid	-	-
Closing fair value of plan assets	**164.03**	**153.71**

f) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are as follows:

(₹ in Lakhs)

Particulars	31st March 2024		31st March 2023	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
Defined benefit obligation on increase in 100 bps	397.12	413.89	283.50	295.57
Impact of increase in 100 bps on defined benefit obligation	(2.41%)	1.71%	(2.38%)	1.78%
Defined benefit obligation on decrease in 100 bps	417.32	400.08	297.68	285.33
Impact of decrease in 100 bps on defined benefit obligation	2.55%	(1.69%)	2.51%	(1.75%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note (a) above.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation asset recognised in the balance sheet.

g) Projected Benefits Payable:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Expected benefits for year 1	122.84	91.69
Expected benefits for year 2	94.54	67.10
Expected benefits for year 3	75.85	52.70
Expected benefits for year 4	58.91	41.61
Expected benefits for year 5	45.06	31.25
Expected benefits for year 6 to 10	82.51	57.92

The weighted average duration to the payment of these cash flows is 1.68 years (FY2022-23 : 1.68 years)

The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.

The Company expects to contribute approximately ₹242.92 lakh (FY 2022-23- ₹136.69 lakh) to the gratuity fund

h) Investment Pattern:

Particulars	FY 2023-24	FY 2022-23
Policy of insurance	100%	100%
Total	**100%**	**100%**

37. Related Party Disclosure:

A. As per IND AS 24 — "Related Party Disclosures", following disclosure are made:

Names Of Related Parties And Description Of Relationship

(i) Holding Company

Olive Vine Investment Ltd.
(An affiliate of Warburg Pincus LLC)

(ii) Directors

Mr. Neeraj Swaroop - Independent director
Mrs. Vijayalakshmi Iyer - Independent director
Mr. Narendra Ostawal - Non executive director
Mrs. Savita Mahajan - Independent director
Mr. Ravi Venkatraman- Independent director
Mr. Amit Gainda- Managing Director and Chief Executive Officer

Key Management Personnel

Mr. Amit Gainda- Managing Director and Chief Executive Officer
Mr. Vineet Mahajan - Chief Financial Officer (resigned w.e.f. February 20, 2024)
Mr. Vikrant Gandhi - Chief Financial Officer (appointed w.e.f. February 21, 2024)
Mr. Vikas Tarekar - Company Secretary' (resigned w.e.f. August 02, 2022)
Mr. Rajesh Gandhi - Company Secretary' (appointed w.e.f. November 11, 2022)

(iii) Details of Transactions with Related Parties

(₹ in Lakhs)

Name of the related party	March 31, 2024	March 31, 2023
Preference Share Capital issued during the period		
Olive Vine Investment Ltd	-	31,200.00
Key Management Personnel (KMP) Remuneration		
Short-term employee benefits	792.96	547.91
Share-based payment:		-
Equity shares issued pursuant to stock option scheme	496.86	-
Director's Commission		
Mr. Neeraj Swaroop	21.80	21.80
Mrs. Vijayalakshmi Iyer	10.90	10.90
Mrs. Savita Mahajan	10.90	10.90
Mr. Ravi Venkatraman	10.90	10.90
Sitting Fees		
Mr. Neeraj Swaroop	9.16	9.70
Mrs. Vijayalakshmi Iyer	9.16	7.74
Mrs. Savita Mahajan	8.28	6.54
Mr. Ravi Venkatraman	9.16	9.70

Balances as at	March 31, 2024	March 31, 2023
Director's Commission		
Mr. Neeraj Swaroop	21.80	21.80
Mrs. Vijayalakshmi Iyer	10.90	10.90
Mrs. Savita Mahajan	10.90	10.90
Mr. Ravi Venkatraman	10.90	10.90
Sitting Fees Payable		
Mrs. Vijayalakshmi Iyer	0.44	-

37.1 There are no provision for doubtful debts/advances or amounts written off or written back for debts due from/ due to related parties.

37.2 The transactions disclosed above are inclusive of 9% GST, wherever applicable

37.3 The Compulsorily Convertible Preference Shares (CCPS) issued during the FY 2022-23 were subsequently converted to equity shares on January 19, 2023.

37.4 Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

38. Maturity Analysis of Assets and Liabilities

(₹ in Lakhs)

		March 31, 2024			March 31, 2023		
Sr. No.	Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(1)	**Financial Assets**						
(a)	Cash and cash equivalents	1,30,075.99	-	1,30,075.99	78,707.59	-	78,707.59
(b)	Bank balances other than (a) above	20,195.49	2,765.25	22,960.74	31,003.05	3,278.83	34,281.88
(c)	Derivative financial instruments	-	33.21	33.21	-	1,472.06	1,472.06
(f)	Trade receivables	919.38	0.00	919.38	832.98	-	832.98
(d)	Loans	2,26,075.66	10,13,606.39	12,39,682.05	1,85,622.16	6,51,724.75	8,37,346.91
(e)	Investments	24,314.56	-	24,314.56	6,441.69	-	6,441.69
(g)	Other financial assets	308.75	1,141.35	1,450.10	5,380.82	557.71	5,938.53
		4,01,889.83	**10,17,546.20**	**14,19,436.03**	**3,07,988.29**	**6,57,033.35**	**9,65,021.64**
(2)	**Non-financial Assets**						
(a)	Current tax assets (net)	-	1,906.01	1,906.01	-	1,952.84	1,952.84
(b)	Deferred tax assets (net)	-	947.69	947.69	-	2,250.23	2,250.23
(c)	Property, plant and equipment	-	2,331.40	2,331.40	-	1,308.99	1,308.99
(d)	Capital work-in-progress	-	886.70	886.70	-	-	-
(e)	Right of use assets	-	4,401.59	4,401.59	-	348.58	348.58
(f)	Intangible assets under development	-	1,128.94	1,128.94	-	464.12	464.12
(g)	Other intangible assets	-	1,351.78	1,351.78	-	634.48	634.48
(h)	Other non-financial assets	538.12	1,455.23	1,993.35	688.21	550.44	1,238.65
		538.12	**14,409.34**	**14,947.46**	**688.21**	**7,509.67**	**8,197.88**
	Total	**4,02,427.95**	**10,31,955.54**	**14,34,383.49**	**3,08,676.50**	**6,64,543.02**	**9,73,219.53**
	LIABILITIES						
(1)	**Financial Liabilities**						
(a)	Derivative financial instruments	-	1,163.90	1,163.90	-	-	-
(b)	Trade payables	7,510.68	-	7,510.68	5,473.74	-	5,473.74
(c)	Debt securities	1,26,514.61	1,78,829.03	3,05,343.64	97,838.53	1,84,548.97	2,82,387.50
(d)	Borrowings (other than debt securities)	1,84,625.39	5,18,508.33	7,03,133.72	1,14,276.19	3,16,641.59	4,30,917.78
(e)	Subordinated liabilities	78.76	4,968.76	5,047.52	2,747.60	4,959.75	7,707.35
(f)	Other financial liabilities	32,370.84	10,130.91	42,501.75	7,335.48	23,427.24	30,762.72
	Total Financial Liabilities	**3,51,100.28**	**7,13,600.93**	**10,64,701.21**	**2,27,671.54**	**5,29,577.55**	**7,57,249.07**
(2)	**Non-Financial Liabilities**						
(a)	Provisions	-	302.47	302.47	-	136.69	136.69
(b)	Other non-financial liabilities	1,708.38	-	1,708.38	861.65	-	861.65
	Total Non-Financial Liabilities	**1,708.38**	**302.47**	**2,010.85**	**861.65**	**136.69**	**998.34**
	Total	**3,52,808.66**	**7,13,903.40**	**10,66,712.06**	**2,28,533.19**	**5,29,714.24**	**7,58,247.41**

39 The Board of Directors at its meeting held on January 28, 2020, approved an issue of stock options of 48,26,799 equity shares of the face value of ₹10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under Section 62 of the Companies Act, 2013. The shareholders of the Company vide their special resolution passed at its 18th extra ordinary general meeting held on February 5, 2020 approved the issue of equity shares of the Company under Avanse Financial Services Employee Stock Option Plan - 2019 (ESOP -2019).

Subsequent to March 31, 2024, the Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary General Meeting held on April 26, 2024 approved the sub-division of equity shares from ₹10 per share to ₹5 per share.

Vesting period of the options issued under the ESOP Scheme is on a straight line basis over the period of 4 years with the vesting condition of continuous employement with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination, Remuneration and Compensation Committee of the Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Under the scheme, fourteen grants have been made as of March 31, 2024, details of which, are given as under:

As on March 31, 2024

Grant Date	5-Feb-20	5-Feb-21	1-Jun-21	1-Oct-21	8-Feb-22	7-May-22
Exercise Price	152	193	193	230	230	230
Option Granted	34,27,771	4,64,741	72,623	2,99,665	41,163	2,58,221
Option vested and exercisable	14,38,493	1,70,839	28,902	67,750	7,756	60,577
Option unvested	15,06,682	49,888	28,903	4,039	6,806	1,75,704
Option exercised	4,45,917	23,252	1,179	2,885	-	-
Option cancelled	4,82,596	2,44,014	14,818	2,27,876	26,601	21,940
Option Outstanding	24,99,258	1,97,475	56,626	68,904	14,562	2,36,281
Weighted average remaining contractual life (years)	0.85	1.85	2.17	2.50	2.86	3.10

Grant Date	1-Jun-22	12-Aug-22	3-Oct-22	20-Oct-22	1-Dec-22	1-Jun-23
Exercise Price	230	230	230	230	363	452
Option Granted	2,72,545	1,40,000	50,000	2,50,000	30,000	2,08,132
Option vested and exercisable	54,559	17,500	6,250	31,250	7,500	-
Option unvested	1,51,475	1,22,500	-	2,18,750	22,500	1,79,674
Option exercised	-	-	-	-	-	-
Option cancelled	66,511	-	43,750	-	-	28,458
Option Outstanding	2,06,034	1,40,000	6,250	2,50,000	30,000	1,79,674
Weighted average remaining contractual life (years)	3.17	3.37	3.51	3.56	3.67	4.17

Grant Date	7-Nov-23	15-Mar-24
Exercise Price	452	695
Option Granted	1,84,536	1,96,441
Option vested and exercisable	-	-
Option unvested	1,84,536	1,96,441
Option exercised	-	-
Option cancelled	-	-
Option Outstanding	1,84,536	1,96,441
Weighted average remaining contractual life (years)	4.60	4.96

As on March 31, 2023

Grant Date	5-Feb-20	5-Feb-21	1-Jun-21	1-Oct-21	8-Feb-22	7-May-22
Exercise Price	152	193	193	230	230	230
Option Granted	34,27,772	4,64,742	72,623	2,99,665	41,163	2,58,221
Option vested and exercisable	10,78,864	1,39,160	14,451	34,481	6,659	-
Option unvested	18,78,220	2,35,924	54,467	2,52,248	34,504	2,58,221
Option exercised	-	-	-	-	-	-
Option cancelled	4,82,596	1,13,563	14,818	51,741	14,531	15,921
Option Outstanding	29,45,176	3,51,179	57,805	2,47,924	26,632	2,42,300
Weighted average remaining contractual life (years)	1.85	2.85	3.17	3.50	3.86	4.10

Grant Date	1-Jun-22	12-Aug-22	3-Oct-22	20-Oct-22	1-Dec-22
Exercise Price	230	230	230	230	363
Option Granted	2,72,545	1,40,000	50,000	2,50,000	30,000
Option vested and exercisable	-	-	-	-	-
Option unvested	2,72,545	1,40,000	50,000	2,50,000	30,000
Option exercised	-	-	-	-	-
Option cancelled	46,465	-	-	-	-
Option Outstanding	2,26,080	1,40,000	50,000	2,50,000	30,000
Weighted average remaining contractual life (years)	4.17	4.37	4.51	4.56	4.67

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY 2024	FY 2023
Grant Date	01-Jun-23/07-Nov -23/15-Mar-24	07-May-22/01-Jun-22/12-Aug-22/03 -Oct-22/20-Oct-22 /01-Dec-22
No. of Option Granted	5,89,109	10,00,766
Weighted average fair value ₹	179.61	98.66

Method used for Accounting for Share-based Payment Plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant Date	5-Feb-20	5-Feb-21	1-Jun-21	1-Oct-21	8-Feb-22	7-May-22
Risk Free Interest Rate (%)	6.1	5.48	5.55	5.47	5.47	7.18
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Expected volatility	17.57	24.53	25	24.93	24.93	23.99
Dividend yield	-	-	-	-	-	-
Fair market value at the time of option grant (₹)	152	193	193	230	230	230

Grant Date	1-Jun-22	12-Aug-22	3-Oct-22	20-Oct-22	1-Dec-22	1-Jun-23
Risk Free Interest Rate (%)	7.18	7.18	7.24	7.24	7.13	7.24
Expected life	4 years	4 years	4 years	4 years	4 years	4 years
Expected volatility	23.99	23.99	24.15	24.15	24.42	25.01
Dividend yield	-	-	-	-	-	-
Fair market value at the time of option grant (₹)	230	230	230	230	363	452

Grant Date	7-Nov-23	15-Mar-24
Risk Free Interest Rate (%)	7.24	6.91
Expected life	4 years	4 years
Expected volatility	25.01	13.38
Dividend yield	-	-
Fair market value at the time of option grant (₹)	452	695

The Charge on account of above scheme is included in employee benefit expense aggregating ₹747.90 Lakhs (previous year ₹490.24 Lakhs)

40. Financial Instruments

40.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholders value and minimise cost of capital. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the lender to immediately call loans and borrowings.

The Company is subject to Capital Adequacy Ratio ("CAR") requirements which are prescribed by the RBI. The Company is currently required to maintain a minimum 15% as prescribed under the prudential norms of the RBI under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended based on the total capital to risk weighted assets as part of the governance policy. We generally maintain capital adequacy higher than the statutorily prescribed CAR. The CAR, which was computed on the basis of the applicable RBI requirements for the holding company, is as below.

Capital Risk Adequacy Ratio (CRAR)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Funds		
Net owned funds (Tier I Capital)	3,49,860.13	2,07,649.82
Tier II Capital	7,602.14	4,319.63
Total capital funds	3,57,462.27	2,11,969.45
Total risk weighted assets/exposures	12,98,903.04	8,52,620.24
% of capital funds to risk weighted assets/exposures		
Tier I capital	26.94%	24.35%
Tier II capital	0.59%	0.51%
Total capital funds	27.52%	24.86%

*Adjustment for credit enhancements towards securitisation transactions from Tier I and Tier II capital is capped at the lower of (a) 15% of securitised portfolio outstanding; and (b) outstanding credit enhancements, pursuant to Company's submission to RBI in this regard.

40.2 Fair Value

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Accounting classifications and fair values

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2024

Particulars	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Derivative financial instrument- Asset	31-Mar-24	-	33.21	-	33.21
Derivative financial instrument- Liability	31-Mar-24	-	1,163.90	-	1,163.90

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2023

Particulars	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Derivative financial instrument- Asset	31-Mar-23	-	1,472.06	-	1,472.06
Derivative financial instrument- Liability	31-Mar-23	-	-	-	-

Notes:

a) Derivative financial instruments are through FVOCI on account of hedge accounting
b) Derivatives are fair valued using observable foreign exchange rates and interest rates

Fair Value Hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market for example, derivative instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2024 and March 31, 2023.

40.3 Fair Value Measurement

Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are measured at amortised cost in the financial statements. Carrying amounts of cash and cash equivalents, trade receivables and trade and other payables as on March 31, 2024 and March 31, 2023 approximate the fair value because of their short-term nature. Difference between carrying amount and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

As at March 31, 2024	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financials Assets					
Loans	12,39,682.05	-	-	12,66,699.06	12,66,699.06
Investments	24,314.56	24,314.56	-	-	24,314.56
Financials Liabilities					
Debt securities	3,05,343.64	-	-	3,03,093.42	3,03,093.42
Borrowings (other than debt securities)	7,03,133.72	-	-	7,02,622.30	7,02,622.30
Subordinated Liabilities	5,047.52			4,951.82	4,951.82

As at March 31, 2023	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financials Assets					
Loans	8,37,346.91	-	-	8,38,816.84	8,38,816.84
Investments	6,441.69	6,441.69	-	-	6,441.69
Financials Liabilities					
Debt securities	2,82,387.50	-	-	2,83,880.24	2,83,880.24
Borrowings (other than debt securities)	4,30,917.78	-	-	4,31,431.68	4,31,431.68
Subordinated Liabilities	7,707.35	-		7,571.33	7,571.33

Valuation Methodologies of Financial Instruments Not Measured at Fair Value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Financial Assets at Amortised Cost

The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued Debt

The fair value of issued debt is estimated by a discounted cash flow model.

40.4 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Operational risk
- Liquidity risk
- Market risk (including interest rate risk)
- Foreign currency risk and
- Price risk

Risk Management Framework

Risk management forms an integral part of the Company's business. As a lending institution, the Company is exposed to several risks related to the lending business and operating environment. The Company has established risk management and audit frameworks to identify, assess, monitor and manage various types of internal and external risks. This framework is driven by the Board and senior management through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee inter alia is responsible for review, monitoring and providing oversight on management of risk of the Company.

i) Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk management structure includes separate credit policies and procedures for the Company's business. The credit policies outline the type of products that can be offered, customer categories, the targeted customer profile, prudential limits, exceptional approval metrics etc. and the credit approval process and limits. Credit approvers and relationship managers are responsible for ensuring adherence to these policies.

The Company has structured and standardized credit approval processes which include comprehensive credit risk assessment encompassing analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower. The credit appraisal process includes identification of underlying risks, mitigating factors and residual risks associated with the customer.

Credit exposures are sanctioned based on delegation of credit authority as defined under credit policy. The Company measures, monitors and manages credit risk at an individual/portfolio level for education institute loans and at portfolio level for education loans. Periodic analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

During FY 2023-24, the Company has refreshed its ECL model considering the observed default data and calibrating its through-the-cycle (TTC) input of defaults for determining the Point-in-time (PIT) PD factor. Impact of such revisions has been incorporated in the ECL as at March 31, 2024.

The Company's Current Credit Risk Grading Framework comprises the following categories

Category	Description	Basis for recognising expected credit losses
Stage 1	High quality assets	12 Month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit impaired assets	Lifetime ECL

The Key Elements in Calculation of ECL are as follows

PD - The Probability of Default 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 PD has been determined based on historical behaviour of the book and roll rates for retail loans.

EAD – The estimated credit exposure at point of default

LGD - The Loss Given Default 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, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

ii) Operational Risk

Operational risk is the risk of loss resulting from inadequate internal processes, people or systems, fraud, or from external events. The Company focuses on management and control of operational risks through a comprehensive system of internal controls and monitoring performance of each function against defined thresholds

Operational risk management comprises identification and assessment of risks and controls, new products and process approval framework, measurement through operational risk incidents, monitoring through key risk indicators and mitigation through process and control enhancement.

iii) Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

We manage liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

The Company has ₹48,300 lakhs undrawn lines of credit as of March 31, 2024 as against ₹68,100 lakhs as of March 31, 2023, from its bankers for working capital requirements.

The Company has the right to draw upon these lines of credit based on its requirement and terms of draw down.

Exposure to Liquidity Risk

The following are the details of the Company's remaining contractual maturities of financial liabilities and assets at the reporting date. The amounts are gross and undiscounted.

(₹ in Lakhs)

	Contractual cash flows				
As at March 31, 2024	**Total**	**0 - 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Financial liabilities					
Derivative financial instruments	1,163.90	-	-	-	1,163.90
Trade payables	7,510.68	7,510.68	-	-	-
Debt securities	3,44,516.09	1,42,266.14	1,99,279.95	2,970.00	-
Borrowings (other than debt securities)	8,51,687.09	2,43,255.66	4,56,918.78	1,40,885.28	10,627.37
Subordinated liabilities	6,722.69	471.25	942.50	5,308.94	-
Other financial liabilities	42,501.75	32,370.84	160.33	-	9,970.58
Total	**12,54,102.20**	**4,25,874.57**	**6,57,301.56**	**1,49,164.22**	**21,761.85**
Financial Assets					
Derivative financial instruments	33.21	-	-	-	33.21
Cash and cash equivalents	1,30,075.99	1,30,075.99	-	-	-
Other bank balances	22,960.74	20,195.49	308.96	-	2,456.29
Loans	22,85,356.65	1,16,114.24	4,11,817.20	5,75,994.31	11,81,430.90
Investments	24,314.56	24,314.56	-	-	-
Trade receivables	919.38	919.38	-	-	-
Other financial assets	1,450.10	308.75	116.82	632.58	391.96
Total	**24,65,110.63**	**2,91,928.41**	**4,12,242.98**	**5,76,626.89**	**11,84,312.36**

(₹ in Lakhs)

	Contractual cash flows				
As at March 31, 2023	**Total**	**0 - 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Financial liabilities					
Trade payables	5,473.74	5,473.74	-	-	-
Debt securities	3,20,177.67	1,04,976.54	2,08,897.30	6,303.83	-
Borrowings (other than debt securities)	5,15,941.45	1,28,370.82	2,55,359.73	1,20,954.53	11,256.36
Subordinated liabilities	10,075.80	733.03	3,606.74	5,736.03	-
Other financial liabilities	30,762.71	14,527.18	116.48	-	16,119.06
Total	**8,82,431.38**	**2,54,081.31**	**4,67,980.25**	**1,32,994.39**	**27,375.42**
Financial Assets					
Derivative financial instruments	1,472.06	-	-	-	1,472.06
Cash and cash equivalents	78,707.59	78,707.59	-	-	-
Other bank balances	34,281.88	31,003.05	-	-	3,278.83
Loans	16,18,056.31	1,52,494.99	2,71,048.10	3,68,136.23	8,26,376.99
Investments	6,441.69	6,441.69	-	-	-
Trade receivables	832.98	832.98	-	-	-
Other financial assets	5,938.53	5,383.51	321.66	233.36	-
Total	**17,45,731.03**	**2,74,863.81**	**2,71,369.76**	**3,68,369.59**	**8,31,127.87**

The gross inflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities and financial assets held for risk management purposes and which are not usually closed out before contractual maturity.

iv) Market Risk (Interest Risk)

The Company is exposed to interest rate risk as it has assets and liabilities based on floating and fixed interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

Exposure to Interest Rate Risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Fixed-rate instruments		
Term loans	22,585.47	79,793.85
Investment in treasury bill	24,314.56	6,441.69
Floating-rate instruments		
Term loans	12,17,096.58	7,57,553.06
Investment in mutual fund	-	-
Total	**12,63,996.61**	**8,43,788.60**
Financial liabilities		
Fixed-rate instruments		
Non convertible debentures	1,85,020.44	2,32,266.05
Subordinated liabilities	5,047.52	7,707.35
Commercial paper	-	-
Securitisation liabilities	12,552.83	27,394.62
Loan from Financial Institutions	10,006.12	903.49
Loan from Banks	-	610.43
External commercial borrowing	83,450.32	-
Floating-rate instruments		
Loan from Banks	5,73,369.29	3,71,531.13
Loan from Financial Institutions	8,769.68	14,179.50
Cash credit	1,628.72	-
Securitisation liabilities	3,834.85	5,406.92
External commercial borrowing	9,521.91	10,891.68
Non convertible debentures	1,20,323.20	50,121.45
Total	**10,13,524.88**	**7,21,012.62**

Fair Value Sensitivity Analysis for Floating-rate Instruments

The sensitivity analysis below has been determined based on exposure to the interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were constant, the Company's profit before tax would have changed by the following:

(₹ in Lakhs)

Particulars	March 31, 2024		March 31, 2023	
	100 bps higher	100 bps lower	100 bps higher	100 bps lower
Floating rate loans				
Term loans	12,170.97	(12,170.97)	7,575.53	(7,575.53)
Floating rate borrowings				
Loan from Banks	(5,733.69)	5,733.69	(3,715.31)	3,715.31
Loan from Financial Institutions	(87.70)	87.70	(141.79)	141.79
Cash credit	(16.29)	16.29	-	-
Securitisation liabilities	(38.35)	38.35	(54.07)	54.07
External commercial borrowing	(95.22)	95.22	(108.92)	108.92
Non convertible debentures	(1,203.23)	1,203.23	(501.21)	501.21
	4,996.49	**(4,996.49)**	**3,054.23**	**(3,054.23)**

v) Foreign Currency Risk

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant IND AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Cash Flow Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument

Disclosure of effects of hedge accounting on financial position

(₹ in Lakhs)

Type of hedge and risks	Nominal amount		Carrying amount of hedging instruments		Maturity Date	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line in the balance sheet
Cash flow hedge-Foreign exchange forward contracts (Cross currency interest rate swaps)	Assets	Liabilities	Assets	Liabilities				
March 31, 2024								
INR USD - Cross currency swap	-	94,234.58	33.21	1,163.90	20 June 2030 26 Dec 2036	33.21	(11,170.93)	Derivative Financial Instruments
March 31, 2023								
INR USD - Cross currency swap	-	10,013.14	1,472.06	-	20 June 2030	1,121.07	1,156.84	Derivative Financial Instruments

Disclosure of Effects of Hedge Accounting on Financial Performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive Income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge- Foreign exchange risk and interest rate risk				
March 31, 2024	(1,326.23)	-	-	-
March 31, 2023	284.12	-	-	-

(vi) Price Risk

The Company is not exposed to any other price risk.

41. Other Statutory Information:

During the current year and previous year

a. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b. The Group has not been declared as a Wilful defaulter by any bank or financial Institution or other lender.

c. The Group does not have any charges or satisfactions, which are yet to be registered with ROC beyond the statutory period.

d. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

e. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

h. During the year the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

i. The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

j. The Group does not have any transactions with struck off companies.

k. During the financial years ended March 31, 2024 and March 31, 2023, the Group 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 (a) repayable on demand or (b) without specifying any terms or period of repayment.

l. The Group has not entered into any scheme of arrangement under sections 230 to 237 of the Companies Act, 2013.

42. Additional Information as required by Paragraph 2 of General Instruction for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in Lakhs)

Name of Entity	Share of Profit / (Loss)		Share of other comprehensive income		Share of total comprehensive income	
	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent						
Avanse Financial Services Limited	-	34,256.97	-	(1,005.93)	-	33,251.04
(Add)/Less: Inter company eliminations	-	(8.21)	-	(0.50)	-	(8.71)
Net of eliminations	**100.07%**	**34,265.18**	**103.58%**	**(1,005.43)**	**99.97%**	**33,259.75**
Subsidiary - Indian						
Avanse Global Finance IFSC Private Limited	(0.07%)	(25.00)	(3.58%)	34.77	0.03%	9.77
Total	**100.00%**	**34,240.18**	**100.00%**	**(970.66)**	**100.00%**	**33,269.52**

Name of Entity	Net assets i.e Total Assets minus Total Liabilities	
	As % of consolidated net asset	Amount
Parent		
Avanse Financial Services Limited	-	3,67,655.40
(Add)/Less: Inter company eliminations	-	(2,665.08)
Net of eliminations	**99.27%**	**3,64,990.32**
Subsidiary - Indian		
Avanse Global Finance IFSC Private Limited	0.73%	2,681.11
Total	**100.00%**	**3,67,671.43**

43. i) Group

The Company had migrated to a new software (Oracle Fusion) from the legacy software (Microsoft Navision/Dynamics) during the year for general ledger accounting. The Company also uses a software for loan management and accounting (Pennant) and a software operated by a third-party service provider for maintaining the payroll records (Darwinbox). The information regarding audit trail (edit log) feature in respect of these software is as follows:

(a) The legacy software for general ledger accounting and the software for loan management and accounting has a feature of recording audit trail which operated throughout the year or period until migration for all relevant transactions recorded therein. However, the audit trail feature was not enabled for direct changes to database when using certain access rights. Also, the management is not in possession of relevant system logs to determine whether there were any instances of the audit trail feature being tampered with in relation to this software.

(b) The new software for general ledger accounting has a feature of recording audit trail but it did not operate for the entire period post migration. The payroll software has a feature of recording audit trail which operated throughout the year for all relevant transactions recorded therein. There were no instances of the audit trail feature being tampered with in relation to these software.

ii) Subsidiary

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, but the feature of audit trail (edit log) facility was not enabled during the accounting period.

44. Subsequent Events

The Board of Directors of the Company in its meeting held on April 4, 2024 and shareholders in the Extraordinary general Meeting held on April 26, 2024 approved the sub-division of shares from ₹10 per share to ₹5 per share.

45. The Financial Statements were Approved for Issue by the Board of Directors on April 30, 2024

The accompanying notes form an integral part of the Consolidated Financial Statements 1 to 45

In terms of our report attached
For S. R. Batliboi & Co. LLP
Chartered Accountants
Registration No. 301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Place : Mumbai
Date : April 30, 2024

For Avanse Financial Services Limited

Neeraj Swaroop
Director
DIN - 00061170
Place : Mumbai
Date : April 30, 2024

Amit Gainda
Managing Director &
Chief Executive Officer
DIN - 09494847
Place : Mumbai
Date : April 30, 2024

Vikrant Gandhi
Chief Financial Officer
Place : Mumbai
Date : April 30, 2024

Rajesh Gandhi
Company Secretary
Place : Mumbai
Date : April 30, 2024

AVANSE FINANCIAL SERVICES

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Avanse Financial Services

4th Floor, E Wing, Times Square,
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