

PLACEMENT MEMORANDUM / PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**AVANSE FINANCIAL SERVICES LIMITED****Corporate Identity Number (CIN) - U67120MH1992PLC068060****PAN No- AAACA4267A****RBI Registration No- B-13.01704**

A public limited company incorporated under the Companies Act, 1956

Date and place of Incorporation: 7th August 1992; Place: Mumbai**Registered Office:** 001 & 002 Fulcrum, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099. **Tel. No.:** +91 22 6859 9999 **Fax No.:** 022 6859 9900**Website:** www.avanse.com **Email:** companysecretary@avanse.com**Placement Memorandum for issue of Debentures on a private placement basis****January 24, 2023**

Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh Only) each under Series 9.25% AFSL Series-24 Jan 23 aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")

Coupon Rate: 9.25% (Nine Point Two Five) per annum payable annually on the Coupon Payment Dates

Coupon Payment Frequency: Annually on the Coupon Payment Dates



Redemption Date: shall mean the 1st February 2026 for 9.25% AFSL Series-24 Jan 23 (subject to adjustments for day count convention in accordance with the SEBI NCS Regulations) or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.


Background

This Placement Memorandum is related to the Debentures to be issued by Avanse Financial Services Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures under Companies Act, 2013 and rules framed thereunder, SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 amended from time to time ("SEBI NCS Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and RBI Master Direction – Non Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and the relevant RBI circulars in respect of private placement of non-convertible debentures (NCDs) by non-banking financial companies, each as amended and to the extent applicable. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on September 27, 2022 and the Board of Directors of the Issuer on May 05, 2022 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Company dated January 24, 2023 and the Memorandum and Articles of Association of the Company.

PART A: DISCLOSURES AS PER SEBI NCS REGULATIONS:

Please see below the disclosures as required under the terms of the SEBI NCS Regulations:

S.no	Particulars	Relevant Disclosure
1.	Corporate Office address of the Issuer:	001 & 002 Fulcrum, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099
2.	Details of Compliance officer and Company Secretary of the Issuer:	Name: Mr. Rajesh Gandhi Contact Details: 022-68599999 Email address: companysecretary@avanse.com
3.	Details of Chief Financial Officer of the Issuer:	Name: Mr. Vineet Mahajan Contact Details: 022-68599999 Email address: Vineet.Mahajan@avanse.com
4.	Details of Promoters of the Issuer:	Name: Olive Vine Investment Ltd Telephone Number: NA Email address: NA
5.	Details of debenture trustee for the Issue:	Name: Catalyst Trusteeship Limited Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038 Tel: +91 20 66807200 Logo:  Telephone Number: +91 20 66807200 Email address: dt@ctltrustee.com Contact person: Mr. Umesh Salvi
6.	Details of credit rating agency for the Issue:	Name: CARE Ratings Limited Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Logo:  Telephone Number: 022-67543456 Email address: tony.mthrew@careedge.in Contact person: Mr. Tony Mathew
7.	Date of placement memorandum / Placement Memorandum	January 24, 2023
8.	Type of placement memorandum / Placement Memorandum	This Placement Memorandum is being issued in relation to the private placement basis of Debentures (which are being issued under the terms hereof in a single series).
9.	The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Transferable, Non- Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh Only) each, with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")

10.	The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum;	Not applicable.
11.	Details of Registrar to the Issue:	<p>Name: Link Intime India Private Limited Address: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Logo:  Telephone Number: +91 22 49186000 Fax number: -- Website: www. linkintime.co.in Email address: ganesh.jadhav@linkintime.co.in</p>
12.	Issue Schedule	<p>Date of opening of the Issue: 31 January 2023 Date of closing of the Issue: 31 January 2023 Date of earliest closing of the Issue (if any): N.A.</p> <p>The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.</p>
13.	Credit Rating of the Issue	<p>The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited ("Rating Agency" / CARE") The Rating Agency has vide its letter dated December 19, 2022 assigned a rating of "CARE A+" (pronounced as "CARE A Plus") with 'Positive' outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure I of this Placement Memorandum for the letter dated December 19, 2022 from the Rating Agency assigning the credit rating Abovementioned</p>
14.	All the ratings obtained for the private placement of Issue	Please refer to S.no 13 above.
15.	The name(s) of the stock exchanges where the securities are proposed to be listed	The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited / Bombay Stock Exchange ("BSE").
16.	The details about eligible investors;	Please refer to the row on " <i>Eligible Investors</i> " under Clause 0 (<i>Issue Details</i>) of this Placement Memorandum.
17.	Coupon / dividend rate, coupon / dividend payment frequency, redemption date, redemption amount and details of debenture trustee	In respect of the Coupon, the Coupon Payment Frequency, the Redemption Date and Redemption Amount of the Debentures, please refer to Clause 0 (<i>Issue Details</i>) of this Placement Memorandum. The details of Debenture Trustee are provided under S. No. 5 above.

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| 18. | Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable | Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Transferable, Non- Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh Only) each, with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue") |
| 19. | Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters: | Not applicable. |
| 20. | Compliance in relation to electronic book mechanism and details pertaining to the uploading the PlacementMemorandum on the Electronic Book Provider Platform | The allotment will be done on Multiple Yield basis in accordance with Electronic Book Provider Guidelines. |

General Risks

Investments in non-convertible securities involve a degree of risk and Investors should not invest any funds in such securities, unless they can afford to take the risks attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, the Investors must rely on their own examination of the Issue including the risks involved in it. Specific attention of Investors is invited to the statement of Risk Factors of this Placement Memorandum These risks are not and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or Investor's decision to purchase such securities.

Issuer's Absolute Responsibility

Avanse Financial Services Limited, having made all reasonable inquiries, accepts responsibility for and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Promoter Details

S.no	Details of Promoter	Description
1.	Name of promoter	Olive Vine Investment Ltd
2.	Date of Incorporation	April 27, 2018
3.	Age	N.A
4.	Personal Addresses	Registered Office Address: c/o IQ EQ corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324 Mauritius. Corporate Office Address: c/o IQ EQ corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324 Mauritius
5.	Education Qualifications	N.A.
6.	Experience in the business or employment	NA
7.	Positions/posts held in the past by the promoter	NA
8.	Directorships held by the promoter	N.A.
9.	Other ventures of the promoter	NA
10.	Special achievements	NA
11.	Business and financial activities of the promoter	Investment activity
12.	Photograph	N.A.
13.	Permanent Accountant Number	AACCO7229E

Details of Promoter Holding in Company as on latest quarter end, i.e. Sept 30th 2022

Sr. No.	Name of the Shareholders	Total No. of Equity Shares	No of shares in Demat Form	Total Shareholding as % of total No of Equity Shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	Olive Vine Investment Ltd	6,60,73,488*	6,60,73,488	80.00	NIL	NIL
Total		6,60,73,488	6,60,73,488	80.00	NIL	NIL

*Including 5 equity shares held by Nominee Shareholders of Olive Vine Investment Ltd

Sr. No.	Name of the Shareholders	Total No. of Compulsorily Convertible Preference Shares	No of shares in Demat Form	Total Shareholding as % of total No of Compulsorily Convertible Preference Shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	Olive Vine Investment Ltd	16,951,916	16,951,916	80%	Nil	Nil
Total		16,951,916	16,951,916	80%	Nil	Nil

We hereby declare that Permanent Account Number of promoters and directors have been submitted to BSE Ltd at the time of filing the draft Placement Memorandum.

Credit Rating: CARE A+/Positive

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited ("CARE"). CARE Ratings Limited has, vide its letter dated December 19, 2022, rating rationale dated Nov 01, 2022 and detailed press release along with the same assigned a rating of "CARE A+" (pronounced as "CARE A Plus") with "positive" outlook in respect of the Debentures. The above ratings are not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency based on new information in accordance with Applicable Law and should be evaluated independently of any other ratings. Please refer to Annexure I of this Placement Memorandum for the letter dated December 19, 2022 and the rating rationale dated Nov 01, 2022 from CARE assigning the credit ratings above mentioned and detailed press release disclosing the rating rationales adopted for the aforesaid ratings.

Listing

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) segment of BSE Limited ("BSE"). The Issuer shall comply with the requirements of the SEBI Listing Regulations and SEBI NCS Regulations for debt securities to the extent applicable to it on a continuous basis. The recovery expense fund has to be created with BSE Limited as directed by SEBI.

This Issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations. The face value of each Debenture issued on private placement basis shall be Rs. 1,00,000/- (Rupees One Lakh only).

Issue Schedule

Issue Opening Date	31 January 2023
Issue Closing Date	31 January 2023
Pay In Date	1 February 2023
Deemed Date of allotment	1 February 2023

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited ("BSE").

Statutory Auditors

S.R. BATLIBOI & Co. LLP
Chartered Accountants

M/s S.R. Batliboi & Co. LLP

Address: 12th Floor, Plot No 29, The Ruby, Senapati
Bapat Marg, Dadar West, Mumbai – 400028

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Section 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Act / the Companies Act, 2013 / the Companies Act	shall mean the Companies Act, 2013, along with the rules and regulations made thereunder and the notifications, circulars and orders issued in relation thereto, as amended, modified or supplemented from time to time.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Applicable Law	shall mean any statute, law, regulation, notification, ordinance, rule, judgement, rule of law, order, decree, government resolution, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or governmental or regulatory authority including without limitation stock exchanges, having jurisdiction over the matter in question, whether in effect as of the date of this Placement Memorandum or thereafter and in each case as amended, modified or re-enacted from time to time.
Application Form	The form used by the recipient of this Placement Memorandum and the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is in the form annexed to this Placement Memorandum and marked as Annexure III .
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	shall mean a day (other than a Saturday or a Sunday or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks and money markets are open for general business in Mumbai.
CDSL	Central Depository Services (India) Limited.
CERSAI	shall mean the Central Registry of Securitisation Asset Reconstruction and Security Interest.
Client Loan	Each loan made by the Issuer as a lender, and “ Client Loans ” shall refer to collectively, all such loans.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CXO	L1 to Chief Executive Officer
Debentures	Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh Only) each, with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the “Issue”)
Debenture Holders / Investors	the persons who are the subscribers to the Debentures and for the time being holders of the Debentures and thereafter the subsequent Debenture Holder(s), each of whom fulfils the following requirements: -

	<p>(a) Persons who are registered as such as the Beneficial Owner(s); and</p> <p>(b) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s); (and shall include registered transferees of the Debentures from time to time with the Company and the Depository) and in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail.</p>
Debenture Trustee	Catalyst Trusteeship Limited.
Debenture Trustee Agreement	debenture trustee agreement executed / to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	shall mean the unattested deed of hypothecation executed / to be executed by the Company in favour of the Debenture Trustee, to evidence the creation of a first ranking <i>pari passu</i> charge by way of hypothecation by the Company in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holder(s) over the Hypothecated Assets;
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
Due Date	shall mean any date on which any payments in relation to the Debentures becomes due and payable to the Debenture Holder(s) in accordance with the term of the Transaction Documents.
EFT	Electronic Fund Transfer.
Equity	Equity means the paid-up equity share capital, free reserves including any positive or negative balances in the profit and loss account but excluding goodwill and any revaluation reserves minus intangible assets of the Issuer.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.

GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by applicable law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof.
IND AS	shall mean the Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Company.
Information Utility	means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Issue	Private Placement of the Debentures in the manner set out in the Transaction Documents.
Issuer/ Company	Avanse Financial Services Limited
Listed NCDs Operational Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" to the extent applicable in respect of the private placement of debt securities, as amended, modified, or restated from time to time.
Majority Debenture Holders	The Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Maturity Date	shall mean the 1 February 2026 or such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Material Adverse Effect	as of any date of determination by the Debenture Holders, a material and adverse effect on: (i) the financial condition, business or operation of the Company; or (ii) the ability of the Company to materially perform its obligations under any of the Transaction Documents which has or will affect the financial condition, business or operation of the Company; or (iii) the ability of the Company to exercise or enforce any right, benefit,

	privilege or remedy under any Transaction Documents; or (iv) the validity or enforceability of any of the Transaction Documents (including the ability of the Debenture Holders to enforce any of their remedies under the Transaction Documents); or (v) the validity or enforceability of the Security
N.A.	Not Applicable.
NSDL	National Securities Depository Limited.
Other Security Holder(s)	Shall have the meaning assigned to such term under the Deed of Hypothecation.
PAN	Permanent Account Number.
Permitted Security Interest	Shall have the meaning assigned to such term under the Deed of Hypothecation.
Placement Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in form PAS-4 and as annexed in 0 of this Placement Memorandum.
RBI	Reserve Bank of India.
Rating Agency(ies)	CARE Ratings Limited, being credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Link Intime India Pvt. Ltd.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI NCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 issued by SEBI, read with the operational circular for issue and listing of non-convertible securities, securities debt instruments, security receipts, municipal debt securities and commercial paper dated August 10, 2021 issued by SEBI, each as amended from time to time.
Security	The security created / to be created by the Company in relation to the Debentures as specified under Clause 0 (<i>Issue Details</i>) of this Placement Memorandum.
TDS	Tax Deducted at Source.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.

Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Clause 0 (<i>Issue Details</i>) of this Placement Memorandum.
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean as defined as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Section 2: NOTICE TO INVESTORS AND DISCLAIMER

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of BSE Limited is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum/ Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval.

This Placement Memorandum has been prepared in conformity with the SEBI NCS Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Placement Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Placement Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Placement Memorandum and/or the Private Placement Offer cum

Application Letter are adequate and in conformity with the SEBI NCS Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Placement Memorandum would be doing so at its own risk.

This Placement Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any person other than those to whom Application Forms along with this Placement Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Placement Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Placement Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Placement Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Placement Memorandum) without retaining any copies hereof. If any recipient of this Placement Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Placement Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Placement Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Placement Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Placement Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures

or the distribution of this Placement Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum comes are required to inform themselves about and to observe any such restrictions. The Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Placement Memorandum has been filed with the BSE in terms of the SEBI NCS Regulations. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI NCS Regulations, it is not stipulated that a copy of this Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai and New Delhi. This Placement Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

DISCLAIMER IN RESPECT OF RBI

The company is having a valid certificate of Registration dated 05.02.2004 issued by Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of liabilities by the company.

DISCLAIMER CLAUSE OF THE ARRANGER

The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Placement Memorandum. The only role of the Arranger with respect to the Debentures is confined to arranging placement of the Debentures on the basis of this Placement Memorandum as prepared by the Issuer. Without limiting the foregoing, the Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Placement Memorandum. Neither is the Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Placement Memorandum, nor it is responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Placement Memorandum. The Arranger shall be entitled to rely on the truth, correctness and completeness of this Placement Memorandum. It is to be distinctly understood that the aforesaid use of this Placement Memorandum by the Arranger should not in any way be deemed or construed to mean that the Placement Memorandum has been prepared, cleared, approved, scrutinized or vetted by the Arranger. Nor should the contents of this Placement Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Placement Memorandum.

Each recipient of this Placement Memorandum acknowledges that:

- i. each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- ii. such recipient has not relied on the Arranger in connection with its investigation of the accuracy of such information or its investment decision.

FORCE MAJEURE

The Company reserves the right to withdraw the offer prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, along with interest payable on such application money, if any, without assigning any reason.

Section 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Placement Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is descending order of materiality. Investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3. GENERAL RISKS**RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:****(a) REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER**

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(b) THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

(c) CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(d) CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(e) TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(f) ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

(a) SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investor's recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential Investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

1.2 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

1.3 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN

REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

RISKS RELATED TO THE BUSINESS OF THE ISSUER

- A. Majority of the loans provided by the Issuer are both secured and unsecured and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected. Non-performing or low credit quality loans can negatively impact its results of operations.

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage its NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

- B. Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15% in relation to aggregate risk-weighted assets and risk adjusted assigned loans. The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

C. Credit risk

The issuer is exposed to the risk of default by its borrowers. A strong credit risk management process helps in containing the portfolio quality of the company. Key elements of the credit risk management include a structured and standardised credit approval process supported by a strong ERP system, effective training programs, legal and technical due diligence, monitoring and robust credit risk management strategy at a senior management level.

D. Interest Rate Risk

Interest rate risk arises when there is a mismatch in the interest rate profile of assets and liabilities adversely impacting the net interest income. Organization measures interest rate risks by the “maturity gap” method. The maturity gap is a risk measure that tracks the gap between assets and liabilities sensitive to interest rate changes, to assess the impact of interest rate changes on the cost of funds to the Issuer. Considering the volatility of interest rates in the market, the Company’s strategy is to realize its borrowings between short term and long term debt as well as floating and fixed rate instruments.

E. 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.

F. Regulatory Risk

The Company is governed by RBI on requirements related to capital adequacy and provisioning and various other legal and regulatory requirements from concerned authorities. Any change in the regulatory framework could have an impact on the Company.

ANY OTHER RISKS

- (a) MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER’S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

- (b) LEGALITY OF PURCHASE

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

- (c) POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

Section 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the FY ended 31.03.2022, 31.03.2021 and 31.03.2022 and unaudited financials for the period ended September 30, 2022 are set out in **Annexure IV** hereto.

Section 5: REGULATORY DISCLOSURES

The Placement Memorandum is prepared in accordance with the provisions of SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI NCS Regulations.

Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- A. this Placement Memorandum
- B. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- C. Copy of last 3 (Three) years audited Annual Reports;
- D. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- E. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on September 27, 2022 authorizing the issue/offer of non-convertible debentures by the Company under Section 42 of the Companies Act, 2013;
- F. Certified true copy of the shareholders' resolution passed at the Extra Ordinary General Meeting held on March 7, 2018 passed by the shareholders of the Company authorizing the Company to create security in respect of its borrowings under Section 180(1)(a) of the Companies Act, 2013;
- G. Certified true copy of the shareholders' resolution of the shareholders of the Company passed at the Extra Ordinary General Meeting held on March 7, 2018 authorizing the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of Rs. 15,000,00,00,000/- (Rupees Fifteen Thousand Crores only) under Section 180(1)(c) of the Companies Act, 2013;
- H. A certified true copy of the resolution of the Board of Directors / committee of the Board of Directors authorizing the issuance of the Debentures;
- I. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
- J. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the Debenture Trustee to the proposed issue has been obtained; and
- K. Due diligence certificate issued by the Debenture Trustee as per SEBI circular dated 3 November 2020.
- L. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

Date: January 24, 2023

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.
- F. This Placement Memorandum

Details of Issuer

Name:	Avanse Financial Services Limited
Registered Office of Issuer:	001 & 002 Fulcrum, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099
Corporate Office of Issuer:	001 & 002 Fulcrum, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099
Branches	The Company operates its business through eleven branches across India viz. Mumbai, Delhi, Chennai, Kolkata, Hyderabad, Pune, Ahmedabad, Bangalore, Raipur, Jaipur & Chandigarh and five sales representative offices viz. Indore, Coimbatore, Vijaywada, Ludhiana and Vishakapatnam.
Company Secretary & Compliance Officer of Issuer:	Name: Mr Rajesh Gandhi Contact Details: 022-68599999 Email address: companysecretary@avanse.com
CFO of Issuer	Mr. Vineet Mahajan Vineet.mahajan@avanse.com
Registration Number:	B-13.01704
Corporate Identification Number:	U67120MH1992PLC068060
Phone No.:	+91-22-6859 9999
Fax No:	+91 22 6859 9900
Contact Person:	Mr. Vineet Mahajan
Email:	vineet.mahajan@avanse.com

Date: January 24, 2023

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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Website of Issuer:	www.avanse.com
Statutory Auditors of the Issuer:	M /s S.R. Batliboi & Co. LLP Address: 12th Floor, Plot No 29, The Ruby, Senapati Bapat Marg, Dadar West, MUMBAI – 400028
Debenture Trustee to the Issue:	Catalyst Trusteeship Limited Address: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038
Registrar to the Issue:	Link Intime India Pvt. Ltd C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083
Credit Rating Agency of the Issue:	CARE Ratings Limited 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Legal Counsel (if any)	Name: N.A Logo: N.A Address: N.A Website: N.A Email address: N.A Telephone Number: N.A Contact Person: N.A.
Guarantor (if applicable)	Name: N.A Logo: N.A Address: N.A Website: N.A Email address: N.A Telephone Number: N.A Contact Person: N.A.
Arrangers, if any	Name: N.A Logo: N.A Address: N.A Website: N.A Email address: N.A Telephone Number: N.A Contact Person: N.A.

A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least following information:

A. Overview:

Avanse Financial Services Ltd. (“**Avanse**” or the “**Company**” or the “**Issuer**”) is a Systemically Important Non-Deposit accepting NBFC regulated by RBI and we have started our business operations from the month of January 2013. We are a subsidiary of Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC, one of the global leading private equity firm.

Our vision – To be India’s Leading Customer Centric Digitally Agile NBFC focused on Profitable Growth with Leadership position in Education Financing.

Date: January 24, 2023

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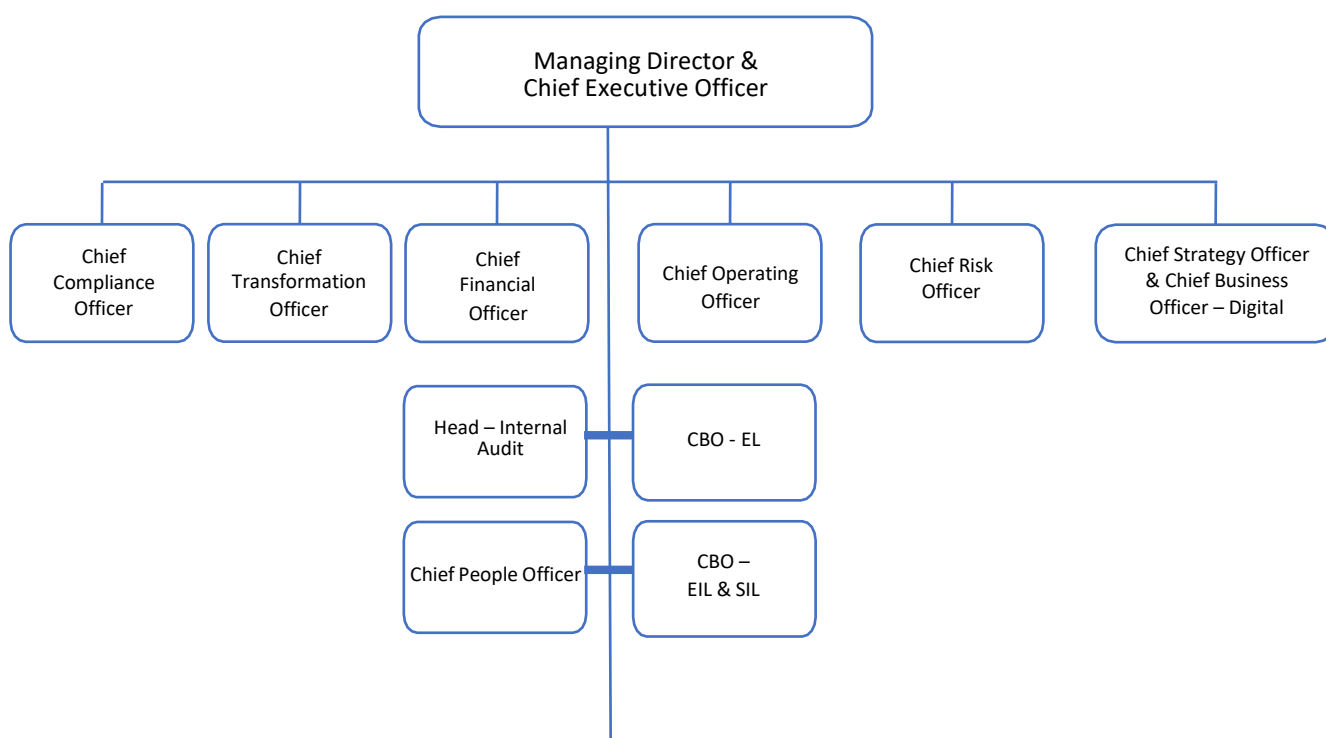
(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Background

Avanse Financial Services Limited is a new age, education-focused NBFC on a mission to provide seamless and affordable education financing for every deserving Indian student.

Established in 2013, Avanse is on a journey to strengthen its position in Education Lending by creating solutions for individuals (Education Loans) and Indian institutions (Education Institution Financing). The Company commenced its operations in January 2013 and as of 31st March 2022 the company's outstanding AUM is Rs. 4836 crores. The Company is operating out of sixteen locations across the country.

As of 31st March 2022, Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC holds 80% equity in Avanse and balance 20% of the equity stake is held by International Finance Corporation (IFC), an arm of the World Bank. The Company is managed by eminent personalities from the fields of Finance, Banking, Law and Retail.

B. Corporate Structure/Organization Structure

Date: January 24, 2023

For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

- C. Abridged version of the Audited Consolidated (wherever available) and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and half year ended September 30, 2022.: **Please refer Annexure IV of this Placement Memorandum**

**Deloitte
Haskins & Sells LLP**

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of **Avanse Financial Services Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 42 to the financial results, in which the company describes the uncertainties arising from COVID 19 pandemic

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

**Deloitte
Haskins & Sells LLP****Impairment of loans measured at amortized cost (refer note 39.3 to the financial statements)****Key Audit Matter Description**

As at the year ended March 31, 2020, the Company had financial assets in form of loans granted to customers amounting to Rs. 283,780.67 Lakh net of provision for expected credit loss of Rs. 3,706.12 Lakh. Management estimates impairment provision using collective model based approach for the loan exposure other than those subject to specific provision. We have reported this as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent Reserve Bank of India's Covid-19 regulatory related circulars
- Key assumptions in respect of benchmarking the credit rating of the customers assessed by the Company with the External Credit Rating Agency, determination of probability of defaults and loss given defaults including consideration of collateral values
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the Company arising out of the COVID 19 Pandemic
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 42 to the financial statements.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed by us included the following:

- Test the design and effectiveness of internal controls implemented by the management for following:
 - Identification of credit deterioration and consequently impaired loans
 - Validation of the critical components viz. Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD) used for the impairment provision
 - Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
 - Completeness and accuracy of the data inputs used and calculation of impairment
- Test the completeness and accuracy of data from underlying systems used in the model including the bucketing of loans into delinquency bands. We Assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and form our own judgement as to whether that was appropriate through examining information such as the counterparty's payment history.
- We assessed the adequacy and appropriateness of disclosures in compliance with Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.



**Deloitte
Haskins & Sells LLP**

- We performed an overall assessment of the ECL provision levels at each stage and reasonableness of the management's overlays on account of Covid-19 which includes range of possible effects applied in determination of PDs and LGDs taking into the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.
- Involved specialists for evaluation of the methodology and approach applied by the management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report (the 'reports'), but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements

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as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations, as at the year-end which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts, as at the year-end 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.



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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
(Partner)

(Membership No. 109839)
UDIN: 20109839AAAAJJ3962

MUMBAI, 25th June, 2020

**Deloitte
Haskins & Sells LLP****ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT****(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Avanse Financial Services Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the



Date: January 24, 2023

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preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
(Partner)

(Membership No. 109839)
UDIN: 20109839AAAAJJ3962

MUMBAI, 25th May, 2020

**Deloitte
Haskins & Sells LLP****ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT****(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) In respect of fixed assets
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification
 - c) With respect to immovable property of land which is freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deed of such immovable property is held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the company does not have inventory. Accordingly, the provisions of Clause 3(ii) of the Order are not applicable to the company.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making investments, as applicable. The Company has not provided any guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of Section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has been generally regular in depositing undisputed statutory dues, including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Works Contract Tax, cess and other material statutory dues applicable to it to the appropriate authorities.



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- b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Works Contract Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c) There are no dues of Income-tax, Goods and Services Tax and Customs Duty as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions or dues to debenture holders. The Company has not taken loans or borrowings from government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares and private placement of Non-convertible debentures during the year.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.



Audit Report – FY 20-21

**Deloitte
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INDEPENDENT AUDITORS' REPORT**To The Members of Avanse Financial Services Limited
Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Avanse Financial Services Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 43 to the financial results, in which the company describes the continuing uncertainties arising from COVID 19 pandemic

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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Impairment of loans measured at amortized cost (refer note 39.3 to the financial statements)

Key Audit Matter Description

As at the year ended March 31, 2021, the Company had financial assets in form of loans granted to customers amounting to Rs. 292,616.55 Lakh net of provision for expected credit loss of Rs. 5,937.85 Lakh. Management estimates impairment provision using collective model based approach for the loan exposure other than those subject to specific provision. We have reported this as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

- Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of Reserves Bank of India's regulations / circulars
- Key assumptions in respect of benchmarking the credit rating of the customers assessed by the Company with the External Credit Rating Agency where applicable, determination of probability of defaults and loss given defaults including consideration of collateral values
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the Company arising out of the COVID 19 Pandemic
- The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 39.3 to the financial statements.

How the Key Audit Matter Was Addressed in the Audit

The audit procedures performed by us included the following:

- Test the design and effectiveness of internal controls implemented by the management for following:
 - Identification of credit deterioration and consequently impaired loans
 - Validation of the critical components viz. Exposure at Default (EAD), Probability of Default (PD) and Loss given default (LGD) used for the impairment provision
 - Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision including the information relating to the benchmarking of internal customer ratings with the external credit rating agency
 - Completeness and accuracy of the data inputs used and calculation of impairment
- Test the completeness and accuracy of data from underlying systems used in the model including the bucketing of loans into delinquency bands. We Assessed and tested the key underlying assumptions and significant judgements used by management.
- For loans identified by management as potentially impaired, examined on a sample basis, the calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.
- Examined a sample of loans which had not been identified by management as potentially impaired (Stage 1 and 2 assets) and form our own judgement as to whether



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that was appropriate through examining information such as the counterparty's payment history.

- We assessed the adequacy and appropriateness of disclosures in compliance with Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.
- We performed an overall assessment of the ECL provision levels for each stage and reasonableness of the management's overlays on account of Covid-19, considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report (the 'reports'), but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.



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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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations, as at the year-end which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts, as at the year-end 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.



Audit Report – FY 21-22

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INDEPENDENT AUDITORS' REPORT

To the Members of Avanse Financial Services Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Avanse Financial Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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 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 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, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the 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 Auditors' responsibilities for the audit of the 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 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 financial statements.





Key audit matters	How our audit addressed the key audit matter
Impairment of loans as at balance sheet date (expected credit losses) (as described in Note 7 & 39.4 of the financial statements)	
<p>Indian Accounting Standard (Ind AS) 109 Financial Instruments requires the Company to provide for impairment of its financial loans 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 and other factors which could impact the credit quality of the loan portfolio.</p> <p>In the process, a significant degree of judgement and estimate have been applied by the management for:</p> <ul style="list-style-type: none"> • 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 loan portfolio under homogenous pools in order to determine probability of default on a collective basis; • The Company has also recorded a management overlay as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by the COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the financial statement, accentuated by the COVID-19 pandemic, it is a key audit matter.</p>	<ul style="list-style-type: none"> • 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 around data extraction, validation and computation. • Assessed the criteria for staging of loans based on their past-due status. Tested samples of performing loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • We performed procedures to test the inputs used in the ECL computation, on a sample basis. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • 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.
Information technology (IT) systems and controls	
<p>The financial accounting and reporting systems of the Corporation are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to</p>	<ul style="list-style-type: none"> • The aspects covered in the assessment of IT General Controls comprised: (i) User Access Management; (ii) Program Change Management; (iii) Other related ITGCs - to understand the design and test the operating effectiveness of such controls in respect of information



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Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
<p>programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<p>systems that are important to financial reporting ("in-scope applications").</p> <ul style="list-style-type: none"> • 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 authorization. • 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 financial statements and our auditors' report thereon.

Our opinion on the 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 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 Those Charged with Governance for the 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 06, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 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;
 - (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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



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S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
- (h) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, 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;

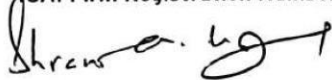
b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 that were 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.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 22102102AILRYR3499

Place of Signature: Mumbai

Date: May 05, 2022



H1 FY 23

S.R. BATLIBOI & Co. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Avanse Financial Services Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Avanse Financial Services Limited (the "Company") for the quarter ended September 30, 2022 and year to date from April 01, 2022 to September 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

SHRAWAN
BHAGWATI
JALAN

Digitally signed by SHRAWAN
BHAGWATI JALAN
DN: cn=SHRAWAN BHAGWATI
JALAN, c=IN, o=Personal,
email=shrawan.jalan@srb.in
Date: 2022.11.11 18:37:48 +05'30'

per Shrawan Jalan
Partner
Membership No.: 102102
UDIN: 22102102BCUVVD6564
Place: Mumbai
Date: November 11, 2022

Date: January 24, 2023

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Avanse Financial Services Limited
CIN : U67120MH1992PLC068060

Regd office : 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai - 400 099
T: 022 6859 9999 F: 022 6859 9900 Website : www.avanse.com Email : investorrelations@avanse.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

Sr. No.	Particulars	Quarter ended			Half year ended		(Rs. in Lakh)
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Revenue from operations						
(a)	Interest income	20,339.31	16,087.06	12,097.71	36,426.37	22,548.10	47,515.11
(b)	Net gain on fair value changes	130.48	104.82	69.78	235.30	176.24	394.43
(c)	Income on derecognition of financial instrument	593.74	841.24	-	1,434.98	-	-
(d)	Other operating income	1,999.74	1,024.78	450.75	3,024.52	1,236.72	2,918.95
	Total revenue from operations	23,063.27	18,057.90	12,618.24	41,121.17	23,961.06	50,828.49
	Other income	12.12	10.36	3.30	22.48	6.62	25.68
	Total income	23,075.39	18,068.26	12,621.54	41,143.65	23,967.68	50,854.17
2	Expenses						
(a)	Finance costs	12,532.87	9,456.85	6,089.53	21,989.72	12,047.67	27,388.70
(b)	Impairment on financial instruments (Expected credit loss)	916.97	742.82	445.70	1,659.79	1,329.95	1,908.17
(c)	Employee benefits expense	2,196.80	2,049.08	1,773.27	4,245.88	3,304.28	6,647.15
(d)	Depreciation and amortisation	276.60	324.24	314.69	600.84	643.64	1,287.75
(e)	Other expenses	1,803.68	1,512.24	1,385.83	3,315.92	2,447.99	5,076.42
	Total expenses	17,726.92	14,085.23	10,009.02	31,812.15	19,773.53	42,308.19
3	Profit before tax (1-2)	5,348.47	3,983.03	2,612.52	9,331.50	4,194.15	8,545.98
4	Tax expense						
(a)	Current tax	1,321.57	1,009.14	767.58	2,330.71	1,363.59	2,983.45
(b)	Deferred tax	38.47	1.13	(107.00)	39.60	(303.50)	(758.05)
	Total tax expenses	1,360.04	1,010.27	660.58	2,370.31	1,060.09	2,225.40
5	Net profit after tax for the period/year (3-4)	3,988.43	2,972.76	1,951.94	6,961.19	3,134.06	6,320.58
6	Other comprehensive income						
(A)	Items that will not be reclassified to profit or loss						
(i)	Actuarial gain / (loss) on post retirement benefit plans	8.55	29.42	4.98	37.97	22.08	16.52
(ii)	Income tax on above	(2.16)	(7.40)	(1.25)	(9.56)	(5.56)	(4.16)
	Subtotal (A)	6.39	22.02	3.73	28.41	16.52	12.36
(B)	Items that will be reclassified to profit or loss						
(i)	Fair value gain / (loss) on derivative financial instrument	365.42	32.23	214.96	397.65	(363.16)	138.91
(ii)	Income tax on above	(91.97)	(8.11)	(54.10)	(100.08)	91.40	(34.96)
	Subtotal (B)	273.45	24.12	160.86	297.57	(271.76)	103.95
	Total other comprehensive income (A+B)	279.84	46.14	164.59	325.98	(255.24)	116.31
7	Total comprehensive Income (5+6)	4,268.27	3,018.90	2,116.53	7,287.17	2,878.82	6,436.89
8	Earnings per equity share (not annualised for the quarters & half year)						
(a)	Basic EPS (in Rs.)	4.83	3.60	2.36	8.43	3.79	7.65
(b)	Diluted EPS (in Rs.)	4.73	3.60	2.36	8.34	3.79	7.65
(c)	Face value per share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
9	Disclosures under Regulation 52(4)						
1.	Debt Equity ratio (refer note no 8)	5.96	4.14	2.97	5.96	2.97	3.58
2.	Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
3.	Capital redemption reserve	-	-	-	-	-	-
4.	Debt redemption reserve	-	-	-	-	-	-
5.	Net worth*	1,05,818.51	1,01,482.04	94,704.84	1,05,818.51	94,704.84	98,247.23
6.	Total debt to total assets (%)	77.15%	68.55%	71.03%	77.15%	71.03%	66.22%
7.	Net profit margin (%)**	17.29%	16.46%	15.47%	16.93%	13.08%	12.44%
8.	Sector specific equivalent ratios						
(a)	Gross Stage 3 (%)	0.79%	1.24%	1.50%	0.79%	1.50%	1.29%
(b)	Net Stage 3 (%)	0.31%	0.53%	0.44%	0.31%	0.44%	0.53%
* Networth is equal to paid up equity share capital plus other equity less deferred tax assets less intangible assets less right of use asset and corresponding liabilities							
** Net profit margin is revenue from operations divided by net profit after tax							
Note: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable.							
Debt redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.							

Date: January 24, 2023

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Notes :

1. STATEMENT OF ASSETS AND LIABILITIES AS ON SEPTEMBER 30, 2022

(Rs. in Lakh)

Sr. No.	Particulars	As at September 30, 2022 Reviewed	As at March 31, 2022 Audited
	ASSETS		
(1)	Financial assets		
(a)	Derivative financial instruments	1,545.49	350.99
(b)	Cash and cash equivalents	1,20,067.63	63,048.59
(c)	Bank balance other than (b) above	3,210.39	2,694.59
(d)	Loans	7,02,614.62	4,71,598.64
(e)	Investments	1,755.69	1,273.50
(d)	Trade receivables	1,423.25	269.19
(g)	Other financial assets	445.16	339.44
		8,31,062.23	5,39,574.94
(2)	Non-financial assets		
(a)	Current tax assets (net)	568.23	276.78
(b)	Deferred tax assets (net)	1,764.98	1,914.22
(c)	Property, plant and equipment	924.42	662.98
(d)	Other intangible assets	644.36	775.66
(e)	Intangible assets under development	265.12	107.97
(f)	Right of use assets	489.10	487.78
(g)	Other non-financial assets	1,243.66	1,494.96
		5,899.87	5,720.35
	Total assets	8,36,962.10	5,45,295.29
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	Financial liabilities		
(a)	Derivative financial instruments	-	-
(b)	Trade payables		
(i)	total outstanding dues of micro and small enterprises	31.89	37.70
(ii)	total outstanding dues of creditors other than micro and small enterprises	4,673.40	3,378.85
(c)	Debt securities	3,06,150.97	1,23,224.54
(d)	Borrowings (other than debt securities)	3,39,594.85	2,37,870.90
(e)	Other financial liabilities	77,137.73	78,989.63
	Total financial liabilities	7,27,588.84	4,43,501.62
(2)	Non-financial liabilities		
(a)	Current tax liabilities (net)	98.67	192.38
(b)	Provisions	84.93	74.62
(c)	Other non-financial liabilities	768.41	560.25
	Total non-financial liabilities	952.01	827.25
(3)	EQUITY		
(a)	Equity share capital	8,259.19	8,259.19
(b)	Other equity	1,00,162.06	92,707.23
	Total equity	1,08,421.25	1,00,966.42
	Total liabilities and equity	8,36,962.10	5,45,295.29

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2. STATEMENT OF CASH FLOW FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		(Rs. in Lakh)	
	Particulars	For the period ended September 30, 2022	For the period ended September 30, 2021
A	Cash flow from operating activities		
	Profit before tax	9,331.50	4,194.15
	Adjustment for:		
	Interest income on loans	(35,762.59)	(21,067.48)
	Depreciation and amortisation expenses	600.84	643.64
	Net gain on fair value changes (realised)	(206.46)	(176.24)
	Interest expense on borrowings	19,180.07	11,133.13
	Provision for impairment on financial instruments	589.50	1,090.22
	Interest on fixed deposits	(1,008.23)	(747.63)
	Baddebts written off	1,070.29	239.74
	ESOP Expenses	262.64	218.37
	Finance cost in Lease Liability	31.00	48.08
	Actuarial loss on post retirement benefit plans	37.97	22.08
	Loss on sale of fixed asset	-	-
	Operating loss before working capital changes	(5,873.47)	(4,401.95)
	Operational cash flows from interest		
	Interest received on loans	35,076.52	20,729.74
	Interest paid on borrowings	(18,053.91)	(11,926.72)
	Working capital changes		
	Adjustment for:		
	(Increase) in loans	(2,31,989.70)	(66,928.71)
	Decrease / (Increase) in Other non-financial assets	251.29	(615.32)
	(Increase) / Decrease in financial assets	(87.90)	101.90
	(Increase) in trade receivables	(1,154.06)	(92.08)
	(Decrease) in financial liabilities	(3,433.52)	(237.93)
	Increase in trade payables	1,288.76	849.60
	Increase in non financial liabilities	208.16	16.13
	Increase / (Decrease) in Provisions	10.32	(2.43)
	Cash (used in) operations	(2,23,757.51)	(62,507.76)
	Direct taxes paid (net)	(2,715.87)	(1,096.93)
	Net cash used in operating activities	(2,26,473.38)	(63,604.69)
B	Cash flow from investing activities		
	Investments in mutual fund units	(2,04,489.78)	(90,995.45)
	Sale of mutual fund units	2,04,696.23	85,672.96
	Investments in T-Bill	(500.00)	-
	Interest received on bank deposits	1,008.23	761.18
	Purchase of property, plant & equipment and intangible assets	(751.26)	(497.47)
	Sale of property, plant & equipment	-	-
	Bank deposit not considered as cash and cash equivalents (net)	(515.80)	-
	Net cash used in investment activities	(552.38)	(5,058.78)
C	Cash flow from financing activities		
	Proceeds from long-term borrowings	2,66,763.67	91,920.62
	Repayment of long-term borrowings	(22,044.07)	(43,876.91)
	Proceeds from issue of preference shares	39,000.00	-
	Proceeds from short-term borrowings (net)	500.00	7,496.64
	Finance cost in Lease Liability	(174.80)	(184.57)
	Net cash generated from financing activities	2,84,044.80	55,355.78
	Net Increase / (Decrease) in Cash and cash equivalents	57,019.04	(13,307.70)
	Cash and cash equivalents at the beginning of the year	63,048.59	42,076.28
	Cash and cash equivalents at the end of the period	1,20,067.63	28,768.60
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			

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13. Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 as at September 30, 2022 is given below :

(Rs 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 31st March 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended 30 September 2022	Of (A), amount written off during the half-year ended 30 September 2022	Of (A) amount paid by the borrowers during the half-year ended 30 September 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the half-year ended 30 September 2022
Personal loans	5,696.38	39.85	-	150.94	5,545.44
Corporate persons*					
Of which, MSMEs	11,439.45	367.09	-	863.15	10,576.30
Others	-	-	-	-	-
Total	17,135.83	406.94	-	1,014.09	16,121.74

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

14. The figures for the previous period/year have been regrouped / reclassified wherever necessary to conform to the current period's/year's presentation. The figures for the quarter ended 30 September 2022 and 30 September 2021 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2022 and 30 September 2021 and the reviewed figures for the quarter ended 30 June 2022 and 30 June 2021 respectively.

For Avanse Financial Services Limited

Amit
Gaiinda

Digitally signed by
Amit Gaiinda
Date: 2022.11.11
18:27:10 +05'30'

Amit Gaiinda
Managing Director & CEO
DIN - 09494847

Place : Mumbai
Date : November 11, 2022

Date: January 24, 2023

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S.R. BATLIBOI & Co. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Independent Auditor's Report on Security Cover and book value of assets as at September 30, 2022 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated May 19, 2022 for submission to Catalyst Trusteeship Limited (the 'Debenture Trustees')

To,
The Board of Directors
Avanse Financial Services Limited
001 & 002 Fulcrum, A Wing,
Ground Floor, Sahar Road,
Next to Hyatt Regency,
Andheri (East),
Mumbai - 400098.

1. This Report is issued in accordance with the terms of the master engagement agreement and service scope letter dated September 22, 2021 with Avanse Financial Services Limited (hereinafter the "Company").
2. We S.R. Batliboi & Co. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing 'Security Cover as per the terms of Information Memorandum / Debenture Trust Deed, and book value of assets' for the secured listed non-convertible debt securities as at September 30, 2022 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended September 30, 2022 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Regulations and SEBI Circular"), and has been initialed by us for identification purpose only.

This Report is required by the Company for the purpose of submission with the Debenture trustees (hereinafter the "Debenture Trustee(s)") of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its secured listed non-convertible debt securities ('Debentures') The Company has entered into an agreement with the respective Debenture Trustee(s) in respect of such Debentures.

Management's Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and SEBI Circular including maintenance of security cover as per the terms of offer document/Information Memorandum and/or Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is also responsible for providing all relevant information to the Debenture Trustees and for complying with all the covenants as prescribed in the Debenture Trust Deed dated September 30, 2022 entered into between the Company and the Debenture Trustees ('Trust Deeds').

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
- (a) Company has maintained Security cover as per the terms of the information memorandum / Debenture Trust deed; and
 - (b) Book values of assets as included in the Statement are in agreement with the books of account underlying the unaudited standalone financial results of the Company as at September 30, 2022.
6. We have performed a limited review of the unaudited standalone financial results of the Company for the half year ended September 30, 2022, prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated November 11, 2022. Our review of these financial results was conducted in accordance with the in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
- a) Obtained and read the Debenture Trust Deeds and Information Memorandum and noted the asset security cover required to be maintained by the Company.
 - b) Obtained the Board approved standalone financial results of the Company for the period ended September 30, 2022.
 - c) Traced and agreed the principal amount and the interest thereon of the secured listed non-convertible debt security outstanding as on September 30, 2022 to the Board approved unaudited standalone financial results of the Company and the underlying books of account maintained by the Company as on September 30, 2022.
 - d) Obtained and read the list of security cover in respect of secured listed non-convertible debt security outstanding as per the Statement. Traced the value of assets from the Statement to the books of accounts and records of the Company underlying the Board approved unaudited financial results as on September 30, 2022.

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S.R. BATLIBOI & CO. LLP
Chartered Accountants

- e) Obtained the list of security created in the register of charges maintained by the Company and 'Form No. CHG-9' filed with Ministry of Corporate Affairs ('MCA'). Traced the value of charge created against Assets to the Security Cover in the attached Statement.
- f) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security.
- g) Examined and verified the arithmetical accuracy of the computation of Security Cover in the accompanying Statement.
- h) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain security as per Trust Deed/ Information Memorandum.
- i) Traced the book value of assets from the books of accounts of the company underlying the Board approved unaudited standalone financial results as at September 30, 2022.
- j) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the:
- a) The Company has not maintained asset cover as per the terms of the Trust Deeds/Information Memorandum; and
 - b) Book values of assets as included in the Statement are not in agreement with the books of account underlying the unaudited standalone financial results of the Company as at September 30, 2022.

Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustees and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**SHRAWAN
BHAGWATI
JALAN**

Digitally signed by SHRAWAN
BHAGWATI JALAN
DN: cn=SHRAWAN BHAGWATI
JALAN, c=IN, o=Personal,
email=shrawan.jalan@srb.in
Date: 2022.11.11 18:38:40 +05'30'

per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 22102102BCUYCE1064

Place of Signature: Mumbai

Date: November 11, 2022

Date: January 24, 2023

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Detailed Financials alongwith auditors report can be accessed from link-
<https://www.avanse.com/investors#tab4>

- D. Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.

On Standalone Basis (Consolidated Financials Not applicable)

As per IndAS

Rs. in crores

Parameters (as per IND AS Accounts)	FY 2019-20	FY 2020-21	FY 2021-22	Sep-22
For Financial Entities				
Balance Sheet				
Net fixed assets	28.55	23.95	20.34	23.23
Current Assets	1214.53	1250.18	1181.5	3,096.23
Non-Current Assets	2396.35	2202.96	4251.11	5,250.16
Total Assets	3639.43	3477.09	5452.95	8,369.62
Non-Current Liabilities	2104.18	1371.61	3148.53	5,127.49
(including maturities of long-term borrowings and short-term borrowings)	1919.75	1231.33	2652.48	4,607.34
Financial (borrowings, trade payables, and other financial liabilities)				
Provisions	3.37	0.44	0.75	0.85
Deferred tax liabilities (net)	--	--	--	--
Other non-current liabilities	181.06	139.84	495.3	519.30
Current Liabilities	635.31	1163.88	1294.76	2,157.92
(including maturities of long-term borrowings)	560.12	1132.68	958.69	1,850.11
Financial (borrowings, trade payables, and other financial liabilities)				
Provisions	0.74	--	--	--
Current tax liabilities (net)	4.58	4.1	1.92	0.99
Other current liabilities	69.87	27.1	334.15	306.82
Equity (equity and other equity)	899.94	941.6	1009.66	1,084.21
Total equity and liabilities	3639.43	3477.09	5452.95	8,369.62
Profit and Loss				

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Total Revenue	433.78	438.89	508.54	411.44
From operations	419.28	438.02	508.28	411.21
Other Income	14.5	0.87	0.26	0.22
Total Expenses	402.12	390.34	423.08	318.12
Total Comprehensive Income	21.66	37.61	64.37	72.87
Profit/Loss	21.52	37.9	63.21	69.61
Other Comprehensive income	0.14	-0.29	1.16	3.26
Earnings per equity share : (a) basic; and (b) diluted				
Continuing Operations	(a) 2.83	(a) 4.59	(a) 7.65	(a) 8.43
	(b) 2.83	(b) 4.59	(b) 7.65	(b) 8.34
Discontinued Operations	N.A.	N.A.	N.A.	N.A.
Total Continuing and Discontinued operations	(a) 2.83	(a) 4.59	(a) 7.65	(a) 8.43
	(b) 2.83	(b) 4.59	(b) 7.65	(b) 8.34
Cash Flow				
Net cash generated from operating activities	201.13	-178.06	-1097.26	(2,264.73)
Net cash used in / generated from investing activities	-97.54	96.3	34.59	(5.52)
Net cash used in financing activities	396.33	-138.08	1266.77	2,840.45
Cash and cash equivalents	643.4	426.38	630.48	1,200.68
Balance as per statement of cash flows	643.4	426.38	630.48	1,200.68
Additional Information				
Net worth	899.94	941.6	1009.66	1,084.21
Cash and Cash Equivalents	778.39	426.38	630.48	1,200.68
Current Investments	125	55.02	12.74	17.56
Assets Under Management	2993	3103	4836	7,187
Off Balance Sheet Assets	370	267	647	739
Total Debts to Total assets	0.68	0.67	0.66	0.77
Interest Income	383.98	412.38	475.15	364.26
Interest Expense	248.88	256.09	273.89	219.90
Provisioning & Write-offs	20.09	23.71	19.08	16.60
Gross NPA (%)	1.76%	1.58%	1.29%	0.79%
Net NPA (%)	0.94%	0.39%	0.53%	0.31%
Tier I Capital Adequacy Ratio (%)	29.55%	30.49%	21.61%	20.46%
Tier II Capital Adequacy Ratio (%)	2.57%	2.25%	1.35%	0.83%
				(Rs in Crs)

E. Debt: Equity Ratio of the Company:

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Before the Issue	4.46x
After the Issue	4.53x

F. Project cost and means of financing, in case of funding new projects: N.A.

Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability: **Nil**

A Brief history of Issuer since its incorporation giving details of its following activities:

G. Details of Share Capital as on last quarter end:

Share Capital : as on September 30, 2022	Amount (Rs.)
Authorized Share Capital 100,000,000 Equity Shares of Rs.10 each	2,000,000,000
Issued, Subscribed and Paid-up Share Capital 8,25,91,861 Equity Shares of Rs.10 each 2,11,89,895 Preference Shares of Rs. 10 each	1,03,78,17,560

H. Changes in its capital structure as on last quarter end i.e. December 31, 2022, for the last five years:

Date of Change (EGM)	Rs.	Particulars
07 th March 2018	100.00 crs	Authorised share capital has increased from Rs. 60,00,00,000 divided into 6,00,00,000 equity shares of Rs. 10 each to Rs. 100,00,00,000 divided into 10,00,00,000 equity shares of Rs. 10 each
12 th August 2022	200. 00 crs	Authorised share capital has increased from Rs. 100,00,00,000 divided into 10,00,00,000 equity shares of Rs. 10 each to Rs. 200,00,00,000 divided into 10,00,00,000 equity shares of Rs. 10 each and 10,00,00,000 preference shares of Rs. 10 each

I. Equity Share Capital History of the Company as on December 31, 2022, for the last five years:

Date of Allotment	Name of Investor/ Shareholder	No of Equity Shares	Face Value	Issue Price (in Rs.)	Consideration (Cash, Other)	Nature of Allotment	Cumulative	Remarks
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			(in Rs.)		than cash, etc)		No of Equity Shares	Equity Share Capital (Rs in Crores)	Equity Share Premi um (Rs in Crores)	
12.07.2017	DHFL	42,75,420	10	64	Cash	Rights Issue	3,74,42,933	37.44	131.27	
12.07.2017	Wadhwan Global Capital Private Limited	50,25,155	10	64	Cash	Rights Issue	4,24,68,088	42.47	158.4	
12.07.2017	International Finance Corporation	23,25,145	10	64	Cash	Rights Issue	4,47,93,233	44.79	170.95	
31.03.2018	Wadhwan Global Capital Limited	1,16,71,651	10	180	Cash	Rights Issue	5,64,64,884	56.46	369.35	
31.03.2018	Dewan Housing Finance Corporation Limited	27,77,777	10	180	Cash	Rights Issue	5,92,42,661	59.42	416.57	
26.07.2018	International Finance Corporation	36,12,358	10	180	Cash	Preferential Issue	6,28,55,019	62.85	477.97	
30.07.2019	Olive Vine Investment Ltd	1,57,89,474	10	152	Cash	Preferential Issue	7,86,44,493	78.64	702.17	
02.08.2019	International Finance Corporation	39,47,368	10	152	Cash	Preferential Issue	8,25,91,861	82.59	56.05	

J. Details of any Acquisition or Amalgamation in the last 1 (one) year:

NIL

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K. Details of any Reorganization or Reconstruction in the last 1 (one) year:

NIL

Details of the shareholding of the Company as on the latest quarter end i.e. Sept 30, 2022:

L. Shareholding pattern of the Company as on last quarter end i.e. September 30, 2022:

Sr. No.	Name of Shareholder (Particulars)	Total No. of Equity Shares	Total No. of Preference Shares	Total shareholding as % of total no. of equity shares	No. Of Equity Shares in Demat form	No. of Preference Shares in Demat form
1	Olive Vine Investment Ltd (an affiliate of Warburg Pincus)	6,60,73,483	16,951,916	80.00	6,60,73,483	16,951,916
2	International Finance Corporation	1,65,18,373	4,237,979	20.00	1,65,18,373	4,237,979
3	Mr. Amit Gaiinda*	1	-	00.00	1	-
4	Mr. Rajesh Kachave*	1	-	00.00	1	-
5	Mr. Samir Kumar Mohanty*	1	-	00.00	1	-
6	Mr. Amit Yadav*	1	-	00.00	1	-
7	Mr. Vivek Baranwal*	1	-	00.00	1	-
	Total	8,25,91,861	2,11,89,895	100.00%	8,25,91,861	2,11,89,895

*Nominee Shareholder of Olive Vine Investment Ltd

Notes: Details of Shares pledged or encumbered by the promoters (if any): Nil

M. List of top 10 holders of equity shares of the Company as on the latest quarter end i.e. September 30, 2022:

Sr. No.	Name of Shareholders	Total No. Of Equity Shares held	No of Shares in demat form	Total Shareholding as % of total no of equity shares
1	Olive Vine Investment Ltd (an affiliate of Warburg Pincus)	6,60,73,483	6,60,73,483	80.00
2	International Finance Corporation	1,65,18,373	1,65,18,373	20.00
3	Mr. Amit Gaiinda*	1	1	00.00
4	Mr. Rajesh Kachave*	1	1	00.00
5	Mr. Samir Kumar Mohanty*	1	1	00.00
6	Mr. Amit Yadav*	1	1	00.00
7	Mr. Vivek Baranwal*	1	1	00.00
	Total	8,25,91,861	8,25,91,861	100.00

*Nominee Shareholder of Olive Vine Investment Ltd

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Following details regarding the directors of the Company:

N. Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date

Name of the Director, Designation & DIN	Age	Address	Date of Appointment	Details of other Directorship	Whether willful Defaulter (Yes/No)
Ms. Savita Mahajan, Independent Director, 06492679	61	Town House No. 3, 222, Rajpur Road, Max Estates, Rajpur, Dehradun, Uttarakhand – 248009	01.12.2018	<ul style="list-style-type: none"> • AUROBINDO PHARMA LTD • GEMINI EDIBLES & FATS INDIA LIMITED • BHAGIRATH RESURGENCE PRIVATE LIMITED 	No
Mr. Neeraj Swaroop, Independent Director, 00061170	62	1104, Signia Isles, G Block, Near Dhirubhai International School, Bandra Kurla Complex, Bandra East, Mumbai - 400051	30.07.2019	<ul style="list-style-type: none"> • SBFC Finance Private Limited • HDFC Securities Limited • Spandana Sphoorty Financial Limited 	No
Ms. Vijayalakshmi Iyer, Independent Director, 05242960	65	1402, Barberry Towers, Nahar Amrut Shakti, Chandivilli, Powai, Andheri East, Mumbai - 400 072	30.07.2019	<ul style="list-style-type: none"> • Poonawalla Fincorp Limited (Formerly known as Magma Fincorp Limited) • Aditya Birla Capital Limited • ICICI Securities Limited • Religare Enterprises Ltd • L & T Infrastructure Development Projects Ltd • Axis Mutual Fund Trustee Limited • Computer Age Management Services Limited • L & T Metro Rail (Hyderabad) Limited • BFSI Sector Skill Council Of India • CG Power and Industrial Solutions Limited 	No

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Name of the Director, Designation & DIN	Age	Address	Date of Appointment	Details of other Directorship	Whether willful Defaulter (Yes/No)
Mr. Narendra Ostawal, Non-executive Director, 06530414	43	B-4101, 41st floor, One Avighna Park, Mahadeo Palav Marg, Curry Road, Parel, Mumbai - 400012	30.07.2019	<ul style="list-style-type: none"> • Warburg Pincus India Private Limited • Computer Age Management Services Limited • Fusion Micro Finance Private Limited • Carmel Point Investments India Private Limited • IndiaFirst Life Insurance Company Limited • Home First Finance Company India Limited 	No
Mr. Ravi Venkatraman, Independent Director, 00307328	61	A/4, Plot No. NA-52, New Samrat Society, Andheri Kurla Road, Opp. Vishal Hall, Andheri (E), Mumbai - 400069	05.07.2021	<ul style="list-style-type: none"> • Mahaveer Finance India Limited • Kotak Mahindra Prime Limited • Mahindra Business & Consulting Services Pvt. Ltd. • Sarvagram Fincare Private Limited • Bajaj Finserv Mutual Fund Trustee Limited • Sarvagram Solutions Private Limited 	No
Mr. Amit Gainda, Managing Director and Chief Executive Officer, 09494847	46	Flat No. 003, Lower First, A Wing, Oberoi Exquisite, Dindoshi Village, Goregaon East, Mumbai – 400063	02.03.2022	<ul style="list-style-type: none"> • N.A 	No

O. Details of change in directors since last three years

Name, Designation & DIN	Date of Appointment	Date of Cessation, if Applicable	Date of Resignation, if applicable	Remarks
Ms. Aruna Wadhawan, Non-executive Director 00103372	03.03.2016	--	30.03.2018	Resigned
Ms. Savita Mahajan, Independent Director 06492679	01.12.2018	--	--	Appointment

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Name, Designation & DIN	Date of Appointment	Date of Cessation, if Applicable	Date of Resignation, if applicable	Remarks
Mr. Kapil Wadhawan, Non-executive Director 00028528	23.07.2012	--	31.07.2019	Resigned
Mr. Suresh Mahalingam, Non-executive Director 01781730	19.10.2015	--	31.07.2019	Resigned
Mr. Mahendra K Chouhan, Independent Director 00187253	23.07.2012	--	31.07.2019	Resigned
Mr. Suresh Kumar Jain, Independent Director 05103064	12.01.2017	--	31.07.2019	Resigned
-Mr. Neeraj Swaroop, Independent Director 00061170	30.07.2019	--	--	Appointment
Ms. Vijayalakshmi Iyer, Independent Director 05242960	30.07.2019	--	--	Appointment
Mr. Narendra Ostawal, Non-executive Director 06530414	30.07.2019	--	--	Appointment
Mr. Ravi Venkatraman Independent Director 00307328	05.07.2021	--	--	Appointment
Mr. Amit Gaiinda MD & CEO 09494847	02.03.2022	--	--	Appointment

****Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None***

Following details regarding the auditors of the Company:

P. Details of the auditor of the Company:

Name	Address	Auditor Since
S.R. Batliboi & Co. LLP	12th Floor, Plot No 29, The Ruby, Senapati Bapat Marg, Dadar West, MUMBAI - 400028	06/09/2021

Q. Details of change in auditors since last three years:

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Name of Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
M/s T R Chadha & Co. LLP	502 Marathon Icon, off Ganpatrao Kadam Marg, Opp. Peninsular Corporate Park, Lower Parel, Mumbai – 400013	23/08/2012	NA	01/11/2019
Deloitte Haskins & Sells LLP	One International Center, Tower 3, 27th-32nd floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai- 400 013	12/09/2018	06/09/2021	-

Details of the following liabilities of the Company, as at the latest quarter end i.e., September 30, 2022:

R. Details of Outstanding Secured Loan Facilities:

Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
AK Capital	Term Loan- I	25	2.42	3 Year Loan, 6 Month Moratorium, Monthly repayment	Receivables and current assets
AK Capital	Term Loan-2	25	4.84	3 Year Loan, 6 Month Moratorium, Monthly repayment	Receivables and current assets
Axis Bank	Term Loan-1	50	20.00	Repayment Schedule in 20 Equal Quarterly Instalments starting immediately after 3 months from the date of first disbursement.	Receivables and current assets
Axis Bank	Term Loan-2	50	25.00	Repayment Schedule in 20 Equal Quarterly Instalments starting immediately after 3 months from the date of first disbursement.	Receivables and current assets
Axis Bank	Term Loan-3	25	16.25	Repayment Schedule in 20 Equal Quarterly Instalments starting immediately after 3 months from the	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
				date of first disbursement.	
Axis Bank	Term Loan-4	50	37.50	Repayment Schedule in 20 Equal Quarterly Instalments starting immediately after 3 months from the date of first disbursement.	Receivables and current assets
Axis Bank	Term Loan-5	135	121.50	Repayment Schedule in 20 Equal Quarterly Instalments starting immediately after 3 months from the date of first disbursement.	Receivables and current assets
Axis Bank	Term Loan-6	200	100.00	Repayment Schedule in 20 Equal Quarterly Instalments starting immediately after 3 months from the date of first disbursement.	Receivables and current assets
Axis Bank	CC Limit	20	--	On demand	Receivables and current assets
Bank of Baroda	Term Loan-2	100	31.98	Door to Door Tenor - 84- months. Repayable in 28 equal quarterly installments. Repayment to start from end of the 1st quarter from the date of 1st disbursement.	Receivables and current assets
Bank of Baroda	Term Loan-3	100	85.00	Repayable in 20 (twenty) quarterly instalments from the date of 1st (first) disbursement without moratorium.	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
Bank of Maharashtra	Term Loan	75	37.50	Term Loan is repayable in 20 Equal quarterly installments of Rs. 3.75 Crs commencing after moratorium period of 2 years from the date of first disbursement.	Receivables and current assets
Bank of Maharashtra	Term Loan	150	150.00	Repayment in 20 (twenty) quarterly installments after moratorium of 24 months from the first date of availment.	Receivables and current assets
Catholic Syrian Bank	Term Loan	50	42.50	20 quarterly installments of Rs 2.50 crore each post Principal Moratorium of 6 month	Receivables and current assets
Catholic Syrian Bank	Term Loan	25	25.00	20 quarterly installments of Rs 1.25 crore each post Principal Moratorium of 6 month	Receivables and current assets
Equitas Small finance Bank	Term Loan	50	20.00	Door to Door tenor of 5 years. Repayable in equal half yearly installments	Receivables and current assets
HDFC Bank	Term Loan 1	15	1.00	Principal to be repaid in 21 quarterly instalment from the end of 24 th month from the date of 1 st drawdown.	Receivables and current assets
HDFC Bank	Term Loan 2	35	10.21	4 Year Loan, Equal Monthly	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
HDFC Bank	Term Loan 3	45	30.94	4 Year Loan, Equal Monthly Repayment	Receivables and current assets
HDFC Bank	Term Loan 4	75	60.94	Quarterly Installments	Receivables and current assets
HDFC Bank	Term Loan 5	250	237.50	Monthly Installments	Receivables and current assets
Hinduja Leyland Finance	Term Loan	50	10.09	60 Equal monthly Instalments.	Receivables and current assets
Indian Bank	Term Loan 1	50	20.00	Term Loan is repayable in 20 quarterly instalments of Rs. 2.5 Crores which will start by end of 1 st quarter after moratorium of 2 years	Receivables and current assets
Indian Bank	Term Loan 2	150	88.64	Term Loan is repayable in 22 quarterly instalments of Rs. 6.82 Crores which will start after moratorium of 6 Month	Receivables and current assets
Indian Bank	Term Loan 3	200	200.00	Term Loan is repayable in 20 quarterly instalments which will start by end of 1 st quarter after moratorium of 2 years	Receivables and current assets
Indian Bank	Cash Credit	20	--	NA	Receivables and current assets
Indusind Bank	Term Loan	50	27.50	Repayment in 16 equal quarterly installments commencing after 12	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
				months from 1st disbursement.	
Indusind Bank	Term Loan	220	100.00	Repayment in 13 equal quarterly installments commencing after 12 months from 1st disbursement.	Receivables and current assets
Karur Vysya Bank	Term Loan	50	20.00	Repayment to be made in 20 Equal Quarterly Installments of Rs. 2.50 crores each after Moratorium of 2 years. First Installment to commence at the end of 27th month from the date of first drawdown.	Receivables and current assets
Karur Vysya Bank	Term Loan	30	28.50	Repayable in 20 quarterly instalments after an initial moratorium period of 3 months. Door to door tenure of 63 months. However, Interest to be serviced on monthly basis as and when debited	Receivables and current assets
NABARD	Term Loan	314	9.00	Door to Door tenor of 5 years. Repayable in half yearly installments	Receivables and current assets
South Indian Bank	Term Loan-1	25	1.25	Term Loan is repayable in 20 quarterly instalments of Rs.1,25,00,000 (One crore twenty five lakhs) each commencing after	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
				initial holiday period of 24 months after initial draw down	
South Indian Bank	Term Loan-2	25	6.25	Term Loan is repayable in 20 quarterly instalments of Rs.1,25,00,000 (One crore twenty five lakhs) each commencing after initial holiday period of 24 months after initial draw down	Receivables and current assets
South Indian Bank	Term Loan-3	25	12.50	Term Loan is repayable in 20 quarterly instalments of Rs.1,25,00,000 (One crore twenty five lakhs) each commencing after initial holiday period of 24 months after initial draw down	Receivables and current assets
South Indian Bank	Term Loan-4	50	50.00	Term Loan is repayable in 20 quarterly instalments	Receivables and current assets
State Bank of India	Term Loan 1	50	10.00	Term Loan is repayable in 20 quarterly instalments	Receivables and current assets
State Bank of India	Term Loan 2	100	31.82	Repayment in 22 (twenty two) quarterly instalments of 4,54,54,545/- (rupees four crore fifty four lakhs fifty four thousand five hundred and forty five only) each which will start by end of 1st quarter after	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
				moratorium of 18 months from the date of first drawdown.	
State Bank of India	Term Loan 3	250	250.00	Repayment in 18 equal quarterly instalments after a moratorium of 6 months	Receivables and current assets
State Bank of India	Term Loan 4	250	75.00	Repayment in 18 equal quarterly instalments after a moratorium of 6 months	Receivables and current assets
State Bank of India (Earlier State Bank of Hyderabad)	Term Loan 4	25	2.50	Term Loan is repayable in 20 quarterly instalments of Rs.1,25,00,000 (One crore twenty five lakhs) each after moratorium period from the date of First Disbursement.	Receivables and current assets
Canara Bank (e-Syndicate Bank)	Term Loan	50	25.00	Repayment in 20 (twenty) quarterly instalments of 2,50,00,000/- (rupees two crore fifty lakhs only) each which will start by end of 1st quarter after moratorium of 2 years from the date of first drawdown.	Receivables and current assets
UCO Bank	Term Loan	50	25.00	Door to Door tenor of 7 years. Repayable in 20 equal quarterly instalments after initial holiday period of 2 years.	Receivables and current assets
UCO Bank	Term Loan 2	100	90.00	Door to Door tenor of 5 (five) years.	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
				Repayable in 20 (twenty) equal quarterly instalments.	
Union Bank of India	Term Loan – 5	25	10.00	7 year loan including initial moratorium period of two years. Repayment to start by end of first quarter after moratorium, through equal quarterly instalments.	Receivables and current assets
Union Bank of India	Term Loan – 6	100	60.00	7 year loan including initial moratorium period of two years. Repayment to start by end of first quarter after moratorium, through equal quarterly instalments.	Receivables and current assets
Union Bank of India	Term Loan – 7	100	81.81	7 year loan including initial moratorium period of two years. Repayment to start by end of first quarter after moratorium, through equal quarterly instalments.	Receivables and current assets
Union Bank of India	Term Loan – 8	100	88.46	7 year loan including initial moratorium period of 6 month. Repayment to start by end of first quarter after moratorium, through equal quarterly instalments.	Receivables and current assets
Union Bank of India	Term Loan – 9	150	150.00	5 year loan including initial moratorium period of 3 month. Repayment to start by end of first	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
				quarter after moratorium, through equal quarterly instalments.	
Yes Bank	Term Loan	40	28.00	60 Equated monthly repayments	Receivables and current assets
Yes Bank	Term Loan-2	50	42.50	60 Equated monthly repayments	Receivables and current assets
Yes Bank	Cash credit	10	--	NA	Receivables and current assets
Federal Bank	Term loan	25	21.43	Door to Door Tenure 84 months.	Receivables and current assets
Federal Bank	Term loan-2	25	22.32	Door to Door Tenure 84 months.	Receivables and current assets
Federal Bank	Term loan-3	25	25.00	Door to Door Tenure 84 months.	Receivables and current assets
Qatar National Bank	Term loan	45	35.25	Door to Door Tenure 60 months.	Receivables and current assets
Ujjivan SFB	Term loan	20	13.33	Door to Door Tenure 36 months.	Receivables and current assets
Ujjivan SFB	Term loan-2	35	35.00	Door to Door Tenure 42 months.	Receivables and current assets
Bajaj Finance Ltd.	Term loan	35	28.44	48 equal monthly instalments	Receivables and current assets
Bajaj Finance Ltd.	Term loan	70	68.81	42 equal monthly instalments	Receivables and current assets
Bandhan Bank	Term loan	100	100	Quarterly repayments post moratorium of 12 months from first date of disbursement for each tranche	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
Bandhan Bank	Term loan	150	100	60 equal monthly instalments	Receivables and current assets
DCB Bank	Term loan	25	23.21	14 equal quarterly installments after a moratorium of 6 months	Receivables and current assets
IDBI Bank	Term loan	25	25	7 (seven) year loan. 20 (twenty) equal quarterly installments after a moratorium period of 2 (two) years from the date of first disbursement	Receivables and current assets
Karnataka Bank	Term loan	25	21.25	20 Equal Quarterly instalments	Receivables and current assets
Indian Overseas Bank	Term loan	50	50.00	Door to Door Tenor of 84 Months	Receivables and current assets
Aditya Birla Finance Ltd	Term loan	40	40.00	Repayable in 5 Equal Annual installments	Receivables and current assets
Aditya Birla Finance Ltd	Term loan 2	35	35.00	Repayable in 5 Equal Annual installments	Receivables and current assets
Punjab & Sindh Bank	Term Loan	50	47.37	Total Door to Door Tenor of 5 years including moratorium period of 3 months and repayment period 57 month from the date of disbursement, 19 quarterly instalments of Rs 2.63 crs eac of the end of the moratorium period	Receivables and current assets

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Lender's Name	Type of Facility	Amt. Sanctioned (Rs. Cr.)	Principal Amt. Outstanding (Rs. Cr.)	Repayment Date / Schedule	Security
World Business Capital	ECB	USD 15 Mn (Rs 110.49 cr)	USD 15 Mn (Rs 107.04 cr)	32 equal Instalments after 2 yr of Principal Moratorium	Receivables and current assets
Total		5149.49	3402.35		

S. Details of Unsecured Loan Facilities:

Nil

T. Details of Outstanding Non-Convertible Securities:

ISIN No.	Series of NCS	Tenor on months/ Period of Maturity	Coupon	Amount in Crs	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured / Unsecured	Security
INE087P07022	NCD 001	120	10.10 %	25	31-Jul-15	31-Jul-25	BWR A+/ CARE A+	Secured	Hypothecation of Receivables & current assets and Mortgage of land parcel
INE087P07048	NCD 003	120	10.10 %	15	07-Aug-15	07-Aug-25	BWR A+/ CARE A+	Secured	Hypothecation of Receivables & current assets and Mortgage of land parcel
INE087P07063	Series 2 Tranche 2	84	9.65 %	10	26-Feb-16	26-Feb-23	BWR A+/ CARE A+	Secured	Hypothecation of Receivables & current assets and Mortgage of land parcel
INE087P07113	NCD Series 7	36	11.40 %	195	12-12-2019	09-Dec-22	CARE A+	Secured	Hypothecation of Receivables & current assets and Mortgage of land parcel
INE087P07121	NCD Series 8	36	11.40 %	105	18-12-2019	16-Dec-22	CARE A+	Secured	Hypothecation of Receivables & current assets and Mortgage of land parcel

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ISIN No.	Series of NCS	Tenor on months/ Period of Maturity	Coupon	Amount in Crs	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured / Unsecured	Security
INE087P07139	NCD Series 9 Tranche 1	36	9.50 %	50	24-Jun-20	23-Jun-23	CARE A+	Secured	Hypothecation of Receivables & current assets
INE087P07147	NCD Series 9 Tranche 2	34	9.50 %	50	07-Jul-20	21-Apr-23	CARE A+	Secured	Hypothecation of Receivables & current assets
INE087P07162	NCD Series 10	24	8.40 %	100	27-Jul-21	27-Jul-23	CARE A+	Secured	Hypothecation of Receivables & current assets
INE087P07170	NCD Series 11	24	8.40 %	100	30-Jul-21	30-Jul-23	CARE A+	Secured	Hypothecation of Receivables & current assets
INE087P07188	NCD Series 12	24	8.40 %	35	26-Aug-21	26-Aug-23	CARE A+	Secured	Hypothecation of Receivables & current assets
INE087P07196	NCD Series 13	24	8.40 %	250	29-Sep-21	29-Sep-23	CARE A+	Secured	Hypothecation of Receivables & current assets
INE087P07204	NCD Series 14	36	7.40 %	150	24-Mar-22	24-Mar-25	CARE A+	Secured	Hypothecation of Receivables
INE087P07212	NCD series 15	17	8.04 %	95	19-Apr-22	29-Sep-23	CARE A+	Secured	Hypothecation of Receivables
INE087P07220	NCD Series 16	17	9.55 %	375	21-Jul-22	21-Dec-23	CARE A+	Secured	Hypothecation of Receivables
INE087P07238	NCD Series 17	22	9.30 %	200	2-Aug-22	25-Jun-24	CARE PP-MLD A+	Secured	Hypothecation of Receivables
INE087P07246	NCD Series 18	25	9.05 %	400	26-Aug-22	3-Oct-24	CARE PP-MLD A+	Secured	Hypothecation of Receivables
INE087P07253	NCD Series 19	20	9.30 %	200	7-Sep-22	7-May-24	CARE A+	Secured	Hypothecation of Receivables

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ISIN No.	Series of NCS	Tenor on months/ Period of Maturity	Coupon	Amount in Crs	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured / Unsecured	Security
INE087P07261	NCD Series 20	20	9.30 %	1	7-Sep-22	7-May-24	CARE A+	Secured	Hypothecation of Receivables
INE087P07279	NCD Series 21	28	9.25 %	150	23-Sep-22	31-Jan-25	CARE PP-MLD A+	Secured	Hypothecation of Receivables
INE087P08012	Sub Debt Series 1	96	10.50 %	25	16-03-2016	16-Mar-24	BWR A+/CARE A	Unsecured	N.A.
INE087P08020	Sub Debt Series 2	120	9.50 %	25	30-06-2017	30-Jun-27	BWR A+/CARE A	Unsecured	N.A.
INE087P08038	Sub Debt series 3	120	9.35 %	25	27-12-2017	27-Dec-27	BWR A+/CARE A	Unsecured	N.A.

U. List of Top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr. No.	Name of Non-convertible Securities	Amount (Rs in crs)	% of total NCS outstanding
1	SBI MAGNUM MEDIUM DURATION FUND	250.00	9.69%
2	MORGAN STANLEY INDIA PRIMARY DEALER PRIVATE LIMITED	210.00	8.14%
3	ICICI PRUDENTIAL CREDIT RISK FUND	160.00	6.20%
4	HDFC TRUSTEE COMPANY LTD A/C HDFC CREDIT RISK DEBT FUND	150.00	5.81%
5	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	125.00	4.84%
6	ICICI PRUDENTIAL ULTRA SHORT TERM FUND	115.00	4.46%
7	INDIAN BANK	100.00	3.87%
8	SBI CREDIT RISK FUND	95.00	3.68%
9	AU SMALL FINANCE BANK LIMITED	75.00	2.91%
10	TATA CAPITAL FINANCIAL SERVICES LTD	60.00	2.32%

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- V. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group-company, etc) on behalf of whom it has been issued.

NIL

- W. Details of Commercial Paper as at the end of last quarter i.e., September 30, 2022:

ISIN No.	Series	Tenor in days	Coupon	Amount in Crs	Date of Allotment	Redemption Date/Schedule	Credit Rating	Secured/Unsecured	Security
INE087P14697	AFSL0010	90	7.60 %	50	25-Aug-22	23-Nov-22	CARE A1+	Unsecured	Nil

- X. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2022:

NIL

- Y. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:

NIL

- Z. Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:

NIL

Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (during the last three years) (whether public issue or private placement) by NBFC including details regarding the following

- (a) **Lending Policy: Should contain overview of origination, risk management, monitoring and collections:**

Overview of Loan Origination Process-

Education loan Origination Model

- 1) Leads are received from following channels
 - a) Customers visiting on Web-site / Walk-ins
 - b) Customers contact through Call Center
 - c) Database received from Aggregators
 - d) Database received from Consultants
 - e) Customers through Social Media or any other source
- 2) Leads received on web-site & Social Media is auto-updated in CRM without any manual intervention
- 3) Leads received from other then above mentioned sources are to be updated manually in CRM. Leads are updated in CRM through Call Center Team Leader
- 4) Basic validation check is performed before updating leads in CRM.
 - a) Call Center Team to do out-bound calling on the leads uploaded in CRM
 - b) Call Center Team to fetch basic details from customers such as pin-code, City, Loan Amount, Branch, etc. If not received from customer, leads is being closed accordingly & disposition is being updated as per customer responses.
 - c) Basis out-bound calls, disposition against each leads is being updated by Call Center Team in CRM
 - d) All interested customers as per disposition are allocated to Sales Executive for further course of action and update the status as "Ready to Login".
- a) Sales Executive to execute the appointment as scheduled by Call Center Team
 - b) Sales Executive to collect documents as per minimum login checklist
 - c) Post collection of documents from customer, Sales Team to update the details and generate Application number in CRM
 - d) Once the application number is generated in CRM, data is being auto-pushed to ELMS system with basic details of customers for further processing

Education Institution Loan Origination Model

- ✓ Direct Sourcing
- ✓ Digital Channel
- ✓ Channel Partners Engagement
- ✓ Corporate Channel Partners Engagement with PAN India Presence
- Geo Limits
- ✓ EIL is available across India in all Avanse Branch Locations
- ✓ Geo Coverage of 200 Kms from the Avanse Branch Network

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 through the Audit Committee, Risk Management Committee and the Asset Liability Management Committee. Risk Management Committee interalia is responsible for review, identification, 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 various businesses. 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. Sanctioning authority for credit exposures are based on defined Delegation of Credit Authority. The delegated powers are based on a Committee approach. For cases sanctioned as per delegation of authority, after completion of all formalities by the borrower, a loan agreement is entered into with the borrower. The Company measures, monitors and manages credit risk at an individual borrower level and at the portfolio level for non-retail borrowers. The credit risk for retail borrowers is managed at the portfolio level. Periodic analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

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's 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.

iv) Market Risk (Interest Risk)

The Company is exposed to interest rate risk as it has assets and liabilities based on floating 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.

v) Forex Risk

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant IndAS. 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.

Monitoring and Collections

Avanse Emphasizes on Reduction on Bounce Rate using Technology and Analytics. Reduction in delinquency by increasing intensity and strengthening collections team. Strong legal team to prevent losses and increase recoveries. Some of the methods used in collections-

- 1) Use of Predictive analytics to identify potential delinquent cases.
- 2) Use of Onus –Off us analysis to exit cases showing higher potential of hitting loss BKTS.
- 3) Use of Mobile technology to increase productivity by providing best Route, actionable for the day etc.
- 4) Use of Technology to increase intensity thru call centre eg; IVR blast, SMS.
- 5) Use of Mobile Technology to feed in data from CORE for initiation of legal actions.

Use of technology for serving legal notices and summons on email, Whatsapp etc

(b) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:

The Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, promoters etc. except as provided for in the chapter titled "Related Parties" in Note 40 to the Audited Financials of the Company.

S No.	Name of the Borrower (A)	Amount of Advances / exposure to such borrower (Group) (rs. Crore) (B)	Percentage of Exposure (C)= B/Total AUM	Classification
1	NA	NA	NA	NA

(c) Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:

Please refer to paragraph (J) below of this table below.

(d) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;

			Rs. in Cr
S. No.	Particulars	As at Sept 30, 2022	
1	Total advances to twenty largest borrowers / customer	121.89	
2	Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	1.70%	

(e) **Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:**
Please refer to paragraph (K) of this table below.

B. Details of borrowings made by NBFC

(a) **A portfolio summary with regard to industries/ sectors to which borrowings have been made;**
Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

(b) **NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**
Please refer to paragraph (K) of this table below.

(c) **Quantum and percentage of secured vis-à-vis unsecured borrowings made; and**

Sr. No.	Secured/Unsecured	Amount (rs. in Cr) as of Sept 30, 2022	As percentage of total debt
1	Secured	5908.34	97.93%
2	Unsecured	125.00	2.07%
	Total	6033.34	100.00%

C. Details of change in shareholding

Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:
No such change during the last financial year ending 31st March, 2022.

D. Disclosure of Assets under management

Segment wise breakup: Please refer to sub-paragraph (c) of paragraph (J) in this table below.

Type of Loans: Please refer to sub-paragraph (a) of paragraph (J) in this table below.

E. Details of borrowers

Geographical location wise: Please refer to sub-paragraph (e) of paragraph (J) in this table below.

F. Details of Gross NPA

Segment wise: Please refer to sub-paragraph (c) of paragraph (K) in this table below.

G. Details of Assets and Liabilities

Residual maturity profile wise into several bucket: Please refer to paragraph (L) in this table below.

H. Additional details of loans made by housing finance company:

Given that the Issuer is not a housing finance company, this is not applicable.

I. Disclosure of latest ALM statements to stock exchange

Please refer to **Annexure X** of this Placement Memorandum.

J. Classification of loans according to

(a) Type of Loans:	Details of types of loans		
	S. No.	Type of loans (Sept22)	Rs Crore
	1	Secured	2,100
	2	Unsecured	5,087
		Total Assets under Management (AUM)	7,187
*Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^Issuer is also required to disclose off balance sheet items;			
(b) Denomination of loans outstanding by loan-to-value:	Details of LTV		
	S. No.	LTV as on Sept22 * (at the time of origination)	Percentage of AUM
	1	Upto 40%	64.47%
	2	40-50%	0.68%
	3	50-60%	0.69%
	4	60-70%	0.70%
	5	70-80%	0.61%
	6	80-90%	1.54%
	7	>90%	31.31%
	Total	100.00%	
(c) Sector Exposure	Details of sectoral exposure		
	S. No.	Segment-wise break-up of AUM (Sept22)	Percentage of AUM
	1	Retail	
	a	- Mortgages (home loans and loans against property)	--
	b	- Gold loans	--
	c	- Vehicle finance	--
	d	- MFI	--
	e	- M&SME	--
	f	- Capital Market funding (loans against shares, margin funding)	--
	g	- Others	100%
	2	Wholesale	
	a	- Infrastructure	--
	b	- Real Estate (include builder loans)	--
	c	- Promoter funding	--
	d	- Any other sector (as applicable)	--

		e	- Others	--	
			Total	100%	
(d) Denomination of loans outstanding by ticket size*:	Details of outstanding loans category wise				
	S. No.	Ticket Size (Sept22) (at the time of origination)**			Percentage of AUM
	1	Upto Rs 2 lakh			10%
	2	Rs 2-5 lakh			3%
	3	Rs 5-10 lakh			2%
	4	Rs 10-25 lakh			28%
	5	Rs 25-50 lakh			35%
	6	Rs 50 lakh- 1 crore			7%
	7	Rs 1-5 crore			15%
	8	Rs 5-25 crore			1%
	9	Rs 25-100 crore			0%
	10	>Rs 100 crore			0%
		Total			100%
* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)					
**Ticket size at the time of origination					
(e) Geographical classification of borrowers:	Top 5 states borrower wise				
	S. No.	Top 5 States (Sept22)			Percentage of AUM
	1	Maharashtra			28.22%
	2	Delhi			25.39%
	3	Telangana			14.56%
	4	Tamil Nadu			12.06%
	5	Karnataka			8.46%
		Total			88.22%
K. Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations					
(a) Movement of Gross NPA	Movement of gross NPA*	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
	Opening gross NPA	51.37	52.91	4.79	2.03
	- Additions during the year	23.78	31.04	48.88	3.71
	- Reductions during the year	(13.25)	(32.58)	(0.76)	(0.95)
	Closing balance of gross NPA	61.90	51.37	52.91	4.79
	*based on expected credit loss(ECL)				
*Please indicate the gross NPA recognition policy (Day's Past Due)					

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(b) Movement of provisions for NPA	Movement of provisions for NPA	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19					
	Opening balance	38.61	24.46	3.33	1.52					
	- Provisions made during the year	12.57	38.65	23.71	2.51					
	- Write-off / write-back of excess provisions	(14.47)	24.50	2.58	0.71					
	Closing balance	36.71	38.61	24.45	3.33					
	*based on expected credit loss(ECL)									
(c) Segment wise gross NPA	S. No. Segment-wise gross NPA (Sept22)			Gross NPA %						
	1	Retail								
	a	- Mortgages (home loans and loans against property)			--					
	b	- Gold loans			--					
	c	- Vehicle finance			--					
	d	- MFI			--					
	e	- M&SME			--					
	f	- Capital Market funding (loans against shares, margin funding)			--					
	g	- Others			0.79%%					
	2	Wholesale								
	a	- Infrastructure			--					
	b	- Real Estate (include builder loans)			--					
	c	- Promoter funding			--					
	d	- Any other sector (as applicable)			--					
	e	- Others			--					
		Total			0.79%					
L. Residual maturity profile of assets and liabilities (in line with the RBI format):										
Residual maturity profile of assets and liabilities		Up to 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	>5 years	Total
	Deposit	--	--	--	--	--	--	--	--	--
	Advances	59.05	58.98	56.73	159.69	167.44	548.58	1067.65	2567.40	4685.52
	Investments	0.00	0.00	0.00	10.00	3.00	0.00	0.00	0.00	13.00
	Borrowings from banks	31.89	18.56	73.99	117.94	232.82	889.40	606.25	158.30	2129.16
	Market Borrowings	3.28	28.28	6.94	47.49	386.81	620.90	226.56	51.69	1371.95
	Foreign Currency Assets	--	--	--	--	--	--	--	--	--
	Foreign Currency liabilities	0.00	0.00	0.32	3.45	6.91	24.17	27.62	47.58	110.05

Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3

years including the current financial year :

NIL

Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company:

NIL

Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares.

NIL

Details of acts of material frauds committed against the issuer in the last three years, if any, and if so, the action taken by the issuer.

NIL

Details of pending proceedings initiated against the issuer for economic offences:

NIL

Details of default and non-payment of statutory dues:

NIL

Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the Investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of Issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in Annexure II of this Placement Memorandum.

1.4 Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue.

The Rating Agency has assigned a rating of “CARE A+ Positive” (pronounced as “CARE A Plus Positive”) with ‘positive’ outlook to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release is provided in **Annexure I** of this Placement Memorandum.

If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not Applicable.

1.5 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

- A. The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made: Actual / Actual. Please also refer to the row on “*Business Day Convention*” under Clause 0 (*Issue Details*) of this Placement Memorandum;
- B. Procedure and time schedule for allotment and issue of securities: Please refer to the row on “*Issue Timing*” under Clause 0 (*Issue Details*) of this Placement Memorandum; and
- C. Cash flows emanating from the non-convertible securities shall be mentioned in the Placement Memorandum, by way of an illustration: The cashflows emanating from the Debentures, by way of an illustration, are set out under **Annexure V** (*Illustration of Bond Cashflows*) of this Placement Memorandum.

Disclosures pertaining to willful defaulter – **Please Refer to Clause 0 of this Placement Memorandum.**

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Other details:

D. Debenture Redemption Reserve Creation:

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures. However, in case of any change in applicable laws during the tenor of the Debentures making it mandatory for the Company shall comply with the provisions relating to Debenture Redemption Reserve or those relating to investment or deposit in terms of Companies Act, 2013, the Company undertakes to comply with such provisions promptly.

E. Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI NCS Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the applicable RBI guidelines each as amended from time to time.

F. Default in payment: **Please refer to the column on “Default Interest Rate” under Clause 0 (Issue Details) of this Placement Memorandum and Clause 0 (Consequences of Event of Default) of 0 of the Placement Memorandum, setting out the consequences pursuant to any default in payment of Debentures**G. Delay in listing: **Please refer to the column on “Listing (name of stock Exchange(s) where it will be listed and timeline for listing)” under Clause 0 (Issue Details) of this Placement Memorandum, setting out the consequences pursuant to any delay in listing of Debentures**H. Delay in allotment of securities: **Any delay in allotment of securities from 2 (Two) Business Days from the Deemed Date of Allotment shall be an “Event of Default” under the terms of the Transaction Documents and the consequences set out under Clause 0 (Consequences of Event of Default) of 0 of the Placement Memorandum shall trigger.**I. Issue details: **Please refer to Clause 0 (Issue Details) of this Placement Memorandum**

J. Application process:

The application process for the Issue is as provided in 0 of this Placement Memorandum.

K. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in 0 of this Placement Memorandum.

L. Project details: **gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

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Not applicable

A statement containing particulars of the dates of, and parties to all material contracts, agreements / documents:

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 am to 4.00 pm on working days.

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Resolution passed by the Board of Directors of the Company dated May 05, 2022 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Company dated January 24, 2023 authorizing issue of Debentures offered under terms of this Placement Memorandum.
3	Resolution passed by the shareholders of the Company dated September 27, 2022 authorizing the issue of non-convertible debentures by the Company.
4	Resolution passed by the shareholders of the Company dated March 07, 2018 authorizing the borrowing by the Company and the creation of security.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated December 19, 2022 and credit rating rationale from the Rating Agency dated November 01, 2022
7	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee dated January 24, 2023
8	Certified true copy of the certificate of incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL and CDSL.
10	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 100,00,00,000/- (Rupees One Hundred Crores Only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis by issue of Secured Rated Listed Redeemable Non-Convertible Debentures.

For further details of the Debentures, please refer to the terms and conditions of the Debentures set out in Clause 0 of this Placement Memorandum.

Utilization of the Issue Proceeds

The Issuer undertakes that the proceeds of this Issue shall be used for loan portfolio growth of the company, repayment of existing borrowing and other general corporate purposes and not to facilitate

resource requests of its group entities/parent Company/associates and as set out in detail in Clause 0 (*Issue Details*) of this Placement Memorandum.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan.

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 including *inter alia*:

- (a) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: Commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- (b) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- (c) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- (d) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- (e) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

Interim Use of Proceeds

The management of the Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market and overnight mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or the Investment Committee from time to time.

Until the allotment of the Debentures all monies received towards application for the Debentures shall be kept in a separate Bank account in a scheduled Bank and shall not be utilized for any purpose other than:

1. For adjustment against allotment of securities
- 2. For the repayment of monies where the company is unable to allot securities**

Issue Details

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The following is a summary of the terms of the issue to the extent that they are applicable to this Series.

Security Name (Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year)	9.25% p.a. Avanse Financial Services 2023 – Series 24
Issuer	Avanse Financial Services Limited
Type of Instrument	Secured Rated Listed Redeemable Non-Convertible Debentures (“Debentures” / “NCDs”)
Nature of Instrument (secured or Unsecured)	Secured
Seniority (senior or Subordinated)	(a) Each Debenture issued by the Issuer will constitute direct, secured and senior obligations of the Issuer. (b) Each of the Debenture Holders shall inter-se rank <i>pari-passu</i> in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.
Eligible Investors	The following categories of investors shall together constitute “Eligible Investors”: (a) Scheduled commercial banks in India; (b) NBFCs and RNBCs registered with RBI; (c) Indian companies; (d) Mutual Funds; (e) Rural regional banks in India; (f) Insurance companies registered with IRDA; (g) Financial institutions, including All India Financial Institutions; (h) Housing finance companies registered with the National Housing Board; and (i) Other eligible investors as per the concerned guidelines and regulations
Listing (name of stock exchange(s) where it will be listed and timeline for listing)	The Debentures are to be listed on the WDM of the BSE within a maximum period of 3 (Three) working days of the date of closing of issue. In accordance with the SEBI NCS Regulations, in case of a delay by the Company in listing the Debentures beyond 3 (Three) working days of the date of closing of Issue, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) p.a. over the Coupon Rate from the Deemed Date of Allotment till the listing of such Debentures; and (ii) be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of Debentures.
Rating of the Instrument	“CARE A+” (pronounced as CARE A Plus) with “Positive” outlook
Issue Size	Rs 100 crores
Minimum Subscription	100 (Hundred) Debentures
Option to retain oversubscription (Amount)	Not Applicable
Objects of the Issue / Purpose for which there is requirement of funds	To raise senior secured debt on a private placement basis and the issue proceeds will be utilized to meet up to 100% (One Hundred Percent) of the funding requirements for the general corporate purposes of the Issuer including without limitation up to 50% (Fifty Percent) towards repayment of existing debt, and up to 50% (Fifty Percent) to finance the growth of portfolio of the Issuer as permitted by RBI for bank finance.
Details of the utilization of the Proceeds	(a) The funds raised through the issue of Debentures shall be utilized for the general corporate purposes of the Issuer including without limitation repayment of existing debt, and to finance the growth of portfolio of the Issuer as permitted by RBI for bank finance. (b) Pending full utilization of issue proceeds, the Issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.
Coupon Rate	9.25% (Nine Point Two Five per cent) per annum payable annually on the Coupon

	Payment Dates
Step Up Coupon Rate	<p>a) The coupon for the Debentures will be increased by 0.25% (zero decimal point two five per cent) for every notch downgrade up to "CARE A-" from the current Credit Rating of the Debenture of "CARE A+" during the tenor of the Debentures.</p> <p>b) The coupon for the Debentures will be increased by an additional 4.00% (four per cent) if the credit rating of the instrument is downgraded to "CARE BBB+" during the tenor of the Debentures and for every notch thereafter.</p> <p>c) It is clarified that the step-up for each notch downgrade would be aggregated for arriving at the coupon rate.</p> <p>d) The issuer has the option to prepay the debentures without paying any pre-payment penalty if the credit rating of the Debentures is downgraded to "CARE BBB+" by giving a 45 (forty Five) day notice.</p> <p>For the purposes of this clause, if the Issuer is rated by more than one rating agency, the lowest of all ratings shall be considered</p>
Early Redemption	<p>a. Upon occurrence of the following events, any debenture holders will have the right to recall up to the respective amounts outstanding under the NCDs:</p> <ol style="list-style-type: none"> In the event of breach of any financial covenant In the event, the Issuer does not comply with applicable guidelines issued by The Reserve Bank of India. In the event the credit rating assigned to Debentures is suspended or withdrawn or remarks such as "Issuer Not Cooperating" shall not be provided/affixed to the existing credit rating of the debentures and/or the rating of the Company shall not be downgraded to BBB or below by any Rating Agency. It is hereby clarified that for the purpose of this Clause, if the issue of Debentures is rated by more than 1 (One) credit rating agency, then lowest of the ratings shall be considered. Shareholding of Warbug Pincus Group LLC, along with its affiliates and subsidiaries, falls below 51% (Fifty-One per cent) of the paid up equity share capital of the Issuer during the tenure of the Debentures. There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in a Material Adverse Effect Any of the promoters being non-compliant with the fit and proper criteria of directors for NBFC as defined by RBI. Additionally, in case if any of the directors not complying with the fit and proper criteria, it is the duty of the company to inform the debenture trustee and the Debenture Holders within a period of two days <p>b. The Issuer to provide information on points (i) on a quarterly basis within 45 (forty five) days of the end of a quarter (in a financial year) and on other points within a day of occurrence.</p> <p>c. The Issuer will make the payment within 30 (thirty) calendar days without any Default Interest / penalty from the date of exercise of this accelerated redemption option by the Any Debenture Holders.</p> <p>The terms for exercise of Accelerated Redemption Option will be further detailed under the Debenture Trust Deed</p>
Coupon Payment Frequency	Annually on the Coupon Payment Date(s)
Coupon payment dates (cumulative / non- cumulative, in case of dividend)	Annually "1 February" every year starting from 1 st February 2024 & on Maturity (subject to adjustments for day count convention in accordance with the SEBI NCS Regulations).
Coupon Type (Fixed, floating or other structure)	Fixed

Coupon Reset Process (including rates, spread, effective date, interest ratecap and floor etc).	<p>The Company shall, at least 45 (Forty Five) calendar days prior to a Coupon Reset Date, shall issue a notice to the Debenture Holders and the Debenture Trustee intimating about the revised coupon rates to be applicable from the immediately succeeding Coupon Reset Date ("Coupon Reset Notice").</p> <p>In case, Company fails to issue the Coupon Reset Notice at least 45 (Forty Five) calendar days prior to the relevant Coupon Reset Date, it shall automatically, without the need for any action by the Debenture Trustee / Debenture Holders, trigger accelerated redemption of the Debentures and the Company shall be liable to pay all the Outstanding Amounts in relation to the Debentures to the Debenture Holders on the Coupon Reset Date.</p> <p>If the coupon rate identified by the Issuer in the Coupon Reset Notice is acceptable to any Debenture Holder / Debenture Trustee, and is communicated in writing by the Debenture Holder(s) / Debenture Trustee (acting on the instructions of the Debenture Holders) to the Issuer up to at least 30 (thirty) days prior to the Coupon Reset Date, then the same shall be the Coupon Rate applicable from the Coupon Reset Date until the next Coupon Reset Date (or the maturity date, as the case may be) of the Debentures. It is clarified for the avoidance of doubt that the same coupon rate shall be payable by the Issuer to each Debenture Holder across the Issue.</p> <p>Further, in case no consensus is reached between Company and any specific Debenture Holder(s) on the reset of the coupon rate to be applicable from ensuing Coupon Reset Date up to at least 30 (Thirty) days prior to the said Coupon Reset Date, the Company shall redeem the Debentures held by such Debenture Holder(s) on the Coupon Reset Date by payment of all the Outstanding Amounts in relation to such Debentures.</p> <p>If required, there can be several rounds of discussion on Coupon revision between the Debenture Holders/ Debenture Trustee and the Issuer. It is clarified that during the course of discussions, the Debenture Holder(s)/ Debenture Trustee could propose an alternate coupon rate, which, if acceptable to the Issuer, and communicated in writing by the Issuer to the Debenture Holder(s) and Debenture Trustee, up to at least 30 (thirty) days prior to the Coupon Reset Date, then the same shall be the Coupon Rate applicable from the Coupon Reset Date until the next Coupon Reset Date (or maturity date, as the case may be) of the Debentures.</p> <p>Coupon Reset process will be undertaken between the company and each individual Debenture Holder and no Majority Debenture Holders</p>
Anchor Investor	Yes, Name of Anchor Investor: A K Capital Finance Limited
Quantum of Anchor Investor	30% of the Base Issue Size i.e Rs. 30,00,00,000/- (Rupees Thirty Crores)
Coupon Reset Date	Coupon reset at the end of 21 st month from the deemed date of allotment (1st November 2024)
Day Count Basis (Actual /Actual)	Actual/Actual. All interest accruing for any Coupon period shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a year of 365 days (or 366 days in case of a leap year), at the applicable Coupon Rate and rounded off to the nearest Rupee.
Business Day Convention	If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. If the redemption date/exercise date/ maturity date (also being the last coupon payment date) (each a "Redemption Date") of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day.
Interest on application money	At (9.25%) per annum from the date of realization of the cheque / receipt of funds in case of RTGS till one day prior to date of allotment. The interest on application money will be paid within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest Rate	In case of default, additional interest of 2% p.a. (two per cent per annum) over the coupon rate will be payable by the Issuer for the defaulting period.

Delay penalty	In the case of a delay in the execution of Debenture Trust Deed, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.																								
Tenor	36 (Thirty Six) months with coupon reset at the end of 21 st month from the deemed date of allotment																								
Redemption Date	the date being 1 st February 2026 (subject to adjustments for day count convention in accordance with the SEBI NCS Regulations) or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.																								
Redemption Amount	At par, i.e. Rs. 1,00,000/- (Rupees One Lakh only) per Debenture																								
Redemption Premium / Discount	Nil																								
Issue Price	At par, i.e. Rs. 1,00,000/- (Rupees One Lakh only) per Debenture																								
Discount at which the security is issued and the effective yield as a result of such discount	Nil																								
Put Date	Not applicable																								
Put Price	Not applicable																								
Call Date	Not applicable																								
Call Price	Not applicable																								
Put Notification Time	Not applicable																								
Call Notification Time	Not applicable																								
Face Value	Rs. 1,00,000 (Rupees One Lakh only) per Debenture																								
Minimum Application and in multiples of _ debt securities thereafter	100 (One Hundred) Debenture and in multiples of 10 (Ten) thereafter																								
Issue Timing	As set out below:																								
Issue Opening Date	31 st January 2023																								
Issue Closing Date	31 st January 2023																								
Date of earliest closing of issue, if any	Nil																								
Pay in Date	1 st February 2023																								
Deemed Date of Allotment	1 st February 2023																								
Settlement mode of the Instrument	<p>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:</p> <p>List of Designated Banks is as under:</p> <table border="1"> <tr> <td>Name of Bank</td><td>HDFC BANK</td></tr> <tr> <td>IFSC Code</td><td>HDFC0000060</td></tr> <tr> <td>Account Number</td><td>ICCLEB</td></tr> <tr> <td>Name of Beneficiary</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr> </table> <table border="1"> <tr> <td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr> <tr> <td>IFSC Code</td><td>ICIC0000106</td></tr> <tr> <td>Account Number</td><td>ICCLEB</td></tr> <tr> <td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr> </table> <table border="1"> <tr> <td>Name of Bank</td><td>Yes Bank</td></tr> <tr> <td>IFSC Code</td><td>YESB0CMSNOC</td></tr> <tr> <td>Account no</td><td>ICCLEB</td></tr> <tr> <td>Name of Beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr> </table>	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account Number	ICCLEB	Name of Beneficiary	INDIAN CLEARING CORPORATION LIMITED	Name of Bank	ICICI Bank Ltd.	IFSC Code	ICIC0000106	Account Number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD	Name of Bank	Yes Bank	IFSC Code	YESB0CMSNOC	Account no	ICCLEB	Name of Beneficiary	INDIAN CLEARING CORPORATION LTD
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	Cheque(s)/ electronic clearing services (ECS)/credit through RTGSsystem/funds transfer to the specified bank account of the Debenture Holder.
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Disclosure of interest / Dividend / redemption dates	As per Cash Flow
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
All covenants of the issue (including side letters, accelerated payment clause etc.)	As set out in Clause Q (e) (iv) of the Placement Memorandum and asset out in further detail under the Transaction Documents.
Financial Covenants	<p>During the tenor of the NCDs, the Issuer shall maintain the below mentioned ratio on consolidated audited financials:</p> <ol style="list-style-type: none"> 1. The ratio of Net Debt to Equity should be below 4.25x for 1 year from date of allotment and 4.50x thereafter; 2. The Net NPA, expressed as a percentage, shall be less than 2% 3. Capital adequacy Ratio (CAR) shall be maintained at minimum 18% up to 1 year from date of allotment and 16% thereafter; 4. Profit after Tax shall be higher than 0 (Zero) in any quarter. 5. The proportion of AUM with loans overdue for more than 90 days shall be less than 7% <p>All the Financial Covenants shall be tested with a written validation of covenant testing from the Issuer on a quarterly basis and from a qualified chartered accountant on a half yearly basis every year, starting from March 31, 2023 based on the balance sheet of the Company. The Company shall submit a certificate to the Debenture Trustee confirming the compliance with the Financial Covenants within 45 days from the end of each reporting year/half year. For the purposes of this clause, all the terms shall have the meaning as detailed out in the Debenture Trust Deed. In case of breach of any financial covenant and early accelerated option not exercised by the debenture holder then the company to pay additional coupon of 0.25% till the time breach is rectified.</p>
NOC Requirement	The proportion of Non Digital Student Education Loan to be at least 65% of the total Assets Under Management during the tenure of the Debentures. Company to approach for NOC if the same is breached for consecutive 2 quarters. If NOC is not provided by Debenture Holders within 30 days from the date of breach then Company has to make payment within 60 days from the date of date of breach. If payment is not made by Company, then it will lead to EOD.
Description regarding Security (where applicable)(Including type of security (movable/ immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Placement Memorandum.).	<ol style="list-style-type: none"> (i) The Debentures shall be secured by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) by a first ranking pari passu charge by way of hypothecation over present and future Loan Receivables of the Issuer ("Hypothecated Assets") with a minimum asset cover of 1.05x (one decimal zero five) times. Provided that the Issuer shall be permitted to provide pari passu security interest over the Hypothecated Assets to other lenders to the Issuer or to securitise or assign the portfolio in the normal course of business (other than portfolio part of the security) without requiring any consent from the Debenture Holders shall be required so long as the indebtedness of the Issuer remains within the agreed gearing ratio i.e. agreed Net Debt to Equity ratio, under the Transaction Documents. (ii) The Issuer undertakes: <ol style="list-style-type: none"> a. to maintain the value of Security Cover at all times during the tenor of the Debentures; b. to create, register and perfect the security over the Hypothecated Assets as

	<p>contemplated above no later than 30 (thirty) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the aforementioned time period;</p> <p>c. Eligibility Criteria for the Hypothecated Loan Receivables:</p> <ul style="list-style-type: none"> the receivables must be in the form of loans advanced as permitted by RBI that are not NPA as on the date of hypothecation; the receivables are existing at the time of selection and have not been terminated or pre-paid; the receivables have not been restructured or rescheduled and should be standard (non NPA) all "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India
Transaction Documents	<ul style="list-style-type: none"> The debenture trust deed, executed by and between the Company and the Debenture Trustee ("DTD") Signed Disclosure Document including the signed summary term sheet; PAS-4 Board Resolution authorizing the issuance of NCDs; Shareholders' Resolution under section 180(1)(c) of the Companies Act, 2013; Rating Letter; Rating Rationale; Debenture Trustee Consent Letter; Debenture Trusteeship Agreement; In-principle approval from BSE for listing of debentures Any other document as agreed between the Issuer and the Debenture Trustee.
Due diligence certificate issued by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed hereto as Annexure VII .
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee.	<p>Please refer to Annexure VII below. Additionally, please note the following pertinent terms and conditions of the debenture trustee agreement:</p> <p>(a) The Debenture Trustee Agreement has been executed as per Applicable Law i.e. prior to the date of opening of the Issue;</p> <p>(b) The fees payable to the Debenture Trustee has been levied by the Debenture Trustee vide the email sent by the Debenture Trustee to the Company on 24th January 2023 as agreed between the Debenture Trustee and the Issuer.</p>
Conditions Precedent to Disbursement	<p>The Issuer shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <p>(a) In principle approval from Stock Exchange of listing</p> <p>(b) Certified copy of the Memorandum and Articles of Association of the Issuer;</p> <p>(c) Certified true copy of resolution of the Board of Directors authorizing the issue of the secured Debentures by the Issuer and further authorizing certain persons to finalize the terms and conditions of the such debentures and to take all action in connection with same;</p> <p>(d) Certified true copy of resolution of the shareholders of the Issuer dated September 27, 2022 passed in accordance with Sections 42 and 71 of the Companies Act, 2013;</p> <p>(e) Credit rating letter from CARE assigning a credit rating of CARE A+/ Positive for the Issue of the Debentures;</p> <p>(f) Consent letter from the Debenture Trustee;</p> <p>(g) Consent letter from the Registrar to the Issue;</p> <p>(h) Due execution of the Tripartite Agreement by, inter alia, the Registrar and Transfer Agent, Depository and the Issuer and should have obtained the ISIN for the Debentures</p>

	<ul style="list-style-type: none"> (i) Agreement between the Debenture Trustee and Issuer; and (j) Information Memorandum/ Disclosure Document (k) Confirmation that no “Event of default” has occurred and/ or subsisting. (l) Any other documents that may be necessary to carry out the disbursement; (m) Execution of the Debenture Trust Deed, Deed of Hypothecation and other relevant Transaction Documents within timelines as agreed between Issuer and the Debenture Holders. (n) To create, register and perfect the security over the Hypothecated Assets (o) Any other documents that may be necessary to carry out the disbursement and as detailed in Debenture Trust Deed
Condition Subsequent to Disbursement	<p>The Issuer shall:</p> <ol style="list-style-type: none"> Issue Letters of Allotment / Debentures in dematerialized form to the credit of the demat account (s) of the investor(s) within 2 (two) working days from the Deemed Date of Allotment File a copy of the Form PAS-5 of the PAS Rules in respect of the issue of Debentures with the ROC with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 within a period of 30 (thirty) days of the Deemed Date of Allotment. File a return of allotment of securities under Section 42 of the New Companies Act with the ROC within 30 (thirty) days of allotment in Form PAS-3 of the PAS Rules and with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 along with a complete list of all Debenture Holders Get the Credit Rating of the Debentures reviewed and published at least once within a maximum period of 1 (one) year from the immediately previous review of the credit rating by the same rating agency. Listing to be completed within stipulated timeframe as per SEBI circular. Perfection of Security within 30 (thirty) days from the Deemed Date of Allotment by way of filing of CHG-9 with the Registrar of Companies. As applicable to the Issuer in accordance with the Applicable Law(s), relevant filings in the prescribed form to be made with an information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section 215 of the Insolvency Code and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 no later than 30 (thirty) days after the date of this Deed.
Events of Default (including manner of voting / conditions of joining Inter Creditor Agreement)	<p>The Majority Debenture holders (51%) at their discretion directly or acting through the Debenture Trustee may initiate proceedings against the Issuer on the occurrence of an “Event of Default” as per SEBI Default Circular dated 13th October 2020:</p> <p>Each of the following shall constitute an “Event of Default” with respect to the Debentures and shall be set out in the Transaction Documents.</p> <ol style="list-style-type: none"> The Issuer does not pay on the Due Date(s) any amount payable pursuant to the Trust Deed (whether at scheduled maturity or by acceleration,) at the place at and in the currency in which it is expressed to be payable The breach of any covenant, obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents (except in case of payment default covered under point 1 above) and such breach/failure continue for the period of 15 days post notifying the same by Debenture Holder(s)/Debenture Trustee; The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness.; Without prejudice to (3) above, the application for commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, or on commencement of an insolvency resolution process under any other applicable law/ statute.

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| | <p>5. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.</p> <p>6. Cross Default – The Issuer:</p> <ul style="list-style-type: none"> i. defaults in any payment of any Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or ii. defaults in the observance or performance of any agreement or condition relating to any Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (determined without regard to whether any notice is required) any such Indebtedness to become due prior to its stated maturity; or iii. any Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or the mutual agreement between the Company and the relevant creditor, prior to the stated maturity thereof. <p>7. Business – The Issuer:</p> <ul style="list-style-type: none"> i. ceases to carry on its business or gives notice of its intention to do so; ii. any Supervisory Authority or any competent court or tribunal or Governmental Authority requires the Company to cease to do business; or iii. any approval or consent or authorization given by any person (including any Supervisory Authority or any creditor) to the Company in respect of its business is withdrawn or the Company fails to obtain or renew any such approval or consent or authorization. <p>8. Any corporate action, legal proceedings or other procedure or step is taken in relation to:</p> <ul style="list-style-type: none"> i. the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company; ii. a composition, compromise, assignment or arrangement with any creditor of the Company; iii. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company; or iv. any enquiry or proceedings commenced before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.101/21.04.048/2017-18 dated February 12, 2018 on "Resolution of Stressed Assets – Revised Framework"); v. the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other Applicable Law, in respect of the Company; or enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction. vi. Any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (i) to (vi) above. <p>9. Any petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the Company for</p> |
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	<p>staying, quashing or dismissed within 15 (Fifteen) days.</p> <p>10. Creditors' Process and Expropriation</p> <ul style="list-style-type: none"> i. Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Assets of the Company and is not discharged as otherwise provided in any order of any competent court or tribunal relating to the aforementioned actions. ii. Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Charged Assets or part thereof. iii. All or a part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalized, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority. <p>11. Transaction Documents – Any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.</p> <p>12. Unlawfulness – It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.</p> <p>13. Repudiation – The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.</p> <p>14. Security in Jeopardy – In the opinion of the Debenture Trustee any Charged Asset(s) is in jeopardy including any depreciation in the value of the Charged Assets.</p> <p>15. Security</p> <ul style="list-style-type: none"> i. The value of the Charged Assets is insufficient to maintain the Security Cover and the Company fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the stipulated timelines prescribed in the relevant Transaction Document. ii. Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such iii. Security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable. <p>The Company creates or attempts to create any charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Charged Assets, without the prior consent of the Debenture Trustee</p>
Creation of recovery expense fund	<p>a. Details and purpose of the recovery expense fund</p> <p>The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) and inform the Debenture Trustee of the same. The recovery expense fund shall be utilised in such manner and for such purposes as is more particularly provided under the said Regulations and Applicable Law.</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	As set out in detail under Clause Q (e) (iv) below.

<p>Role and Responsibilities of Debenture Trustee</p>	<p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. Further, the Debenture Trustee has undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the circulars issued by SEBI titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020."</p> <p>The Debenture Trustee shall protect the interest of the Debenture Holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Debenture Holder shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fail to do so.</p> <p>In pursuance of the extant provisions, it shall be the duty of the Debenture Trustee to:</p> <ul style="list-style-type: none"> (a) satisfy himself that the Private Placement Offer cum Application Letter does not contain any matter which is inconsistent with the terms of the issue of Debentures or with the Debenture Trust Deed and/or other document(s); (b) satisfy himself that the covenants in the Debenture Trust Deed and/or other document(s) are not prejudicial to the interest of the Debenture Holders; (c) call for periodical status or performance reports from the Company; (d) communicate promptly to the Debenture Holders defaults, if any, with regard to payment of interest or redemption of Debentures and action taken by the Debenture Trustee therefor; (e) appoint a nominee director on the Board of the Company in the event of: <ul style="list-style-type: none"> i. two consecutive defaults in payment of interest to the Debenture Holders; or ii. failure in creation of security; or iii. default in redemption of Debentures. (f) ensure that the Company does not commit any breach of the terms of issue of Debentures or covenants of the Debenture Trust Deed and/or other document(s) and take such reasonable steps as may be necessary to remedy any such breach; (g) inform the Debenture Holders immediately of any breach of the terms of issue of Debentures or covenants of the Debenture Trust Deed and/or other document(s); (h) ensure that the assets of the Company issuing Debentures and of the guarantors, if any, are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Debenture Holders; (i) call for reports on the utilization of funds raised by the issue of Debentures; take steps to convene a meeting of the Debenture Holders as and when such meeting is required to be held; (j) ensure that the Debentures have been redeemed in accordance with the terms of the issue of Debentures; (k) perform such acts as are necessary for the protection of the interest of the Debenture Holders and do all other acts as are necessary in order to resolve the grievances of the Debenture Holders. <p>The Debenture Trustee shall convene the meeting of all the Debenture Holders on:</p> <ul style="list-style-type: none"> 1. requisition in writing signed by Debenture Holders holding at least one-tenth in value of the Debentures for the time being outstanding; 2. happening of any event, which constitutes a breach, default or which in the opinion of the Debenture Trustee affects the interest of the Debenture Holders.
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	The Debenture Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, SEBI NCS Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trustee Agreement, Debenture Trust Deed and/or other document(s), Private Placement Offer cum Application Letter and all other related transaction documents, with due care, diligence and loyalty.
Risk Factors pertaining to the issue	As per 1.7 of the Placement Memorandum.
Covenants	As mentioned in Clause Q (e) (iv) of the Placement Memorandum.
Representation and Warranties	As mentioned in Clause Q of the Placement Memorandum.
Illustration of Bond Cash-flows	Kindly refer to Annexure V of the Placement Memorandum.
Material Representation and warranties	<p>The Company (and where applicable its affiliates) shall make representations customary for issuance of this nature, including but not limited to:</p> <ul style="list-style-type: none"> (a) Corporate existence, power and authority; (b) Legal validity and binding nature of the transaction; (c) Corporate authorizations and consents; (d) non-contravention of constitutional documents and binding (e) nature of the same; (f) No outstanding default or material litigation; (g) No violation of law or material agreements; (h) No occurrence of a material adverse effect; (i) No litigation that may have a material adverse effect on (j) operation of business; (k) No insolvency, Adverse Change in business, condition or operations of the Issuer/ Subsidiary (l) Completeness and accuracy of financial statements; (m) Fund proceeds under this transaction shall only be applied in accordance with the end use as stated in this term sheet; <p>Other Representation and warranties as detailed under the transaction documents</p>
Governing Law and Jurisdiction	Indian Law & Mumbai.
Creation of Security	The Company undertakes that the requisite permission or consent has been obtained from the earlier creditor to create <i>pari-passu</i> charge on the assets on which charge is created to secure debentures issued under the Placement Memorandum being the Hypothecated Assets.
Security Cover	The Company shall maintain Security Coverage Ratio of at least 1.05x times throughout the Tenor of the Debentures (" Required Security Cover "). The manner in which compliance by the Company of the security cover requirement will be calculated shall be set out in the Debenture Trust Deed which has been duly filed with the stock exchange in terms of SEBI guidelines and notifications and may be accessed on their website.
Execution of Debenture Trust Deed	The Debenture Trust Deed will be executed on or prior to the Deemed Date of Allotment.
Buy Back of Debentures	The Issuer, at its sole and absolute discretion, shall have right at any time to buy back/purchase some or all of the non-convertible debentures issued under the Placement Memorandum prior to its maturity at a mutually agreed price, subject to Applicable Law and prior notice to the debenture holders as detailed in the Debenture Trust Deed.
Bid Book Type	Open Book Bidding
Manner of Bidding	Multiple Yield
Mode of Allotment	The allotment will be done on Multiple Yield basis in accordance with EBP Guidelines.
Manner of settlement in the	Pay-in of funds through ICCL.

Date: January 24, 2023

For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Issue	
Settlement cycle	T+1; where T refers to the date of bidding/ issue day

*Disclaimer: The Investor/s must rely on their independent evaluation of the tax implications on the said NCD investments. Issuer and/or the Advisor / Distributor to the Issue provide no tax advisory on any investment.

Note:

1. If there is any change in Yield pursuant to any event including lapse of certain time period or change in rating, then such new Yield and events which lead to such change is been disclosed.
2. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities has been annexed.
3. The penal interest rates mentioned above as payable by the Issuer are independent of each other.
4. The Issuer shall provide granular disclosures in the Placement Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue"
5. While the debt securities are secured as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained
6. "Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.";

Section 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

- (a) Name of the Bank declaring the entity as a Wilful Defaulter: Nil
- (b) The year in which the entity is declared as a Wilful Defaulter: Nil
- (c) Outstanding amount when the entity is declared as a Wilful Defaulter: Nil
- (d) Name of the entity declared as a Wilful Defaulter: Nil
- (e) Steps taken, if any, for the removal from the list of wilful defaulters: Nil
- (f) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: Nil
- (g) Any other disclosure as specified by the Board: Nil

Section 7: TRANSACTION DOCUMENTS AND KEY TERMS**TRANSACTION DOCUMENTS**

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

- M. Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");
- N. Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");
- O. Deed of Hypothecation whereby the Issuer will create a first ranking *pari passu* charge by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**") and the power of attorney issued pursuant to the Deed of Hypothecation; and
- P. Such other documents as agreed between the Issuer and the Debenture Trustee.

REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Company hereby, represents and warrants to the Debenture Trustee and the Debenture Holders as follows. The representations and warranties made by the Company herein below are (a) made on the date of this Placement Memorandum; and (b) unless otherwise specifically provided, shall be deemed to be repeated by the Company on and as on each day up to the Final Settlement Date as if made with respect to the facts and circumstances existing on such dates, except where expressly stated to be made as of a particular date.

(a) STATUS:

- (i) It is a company, duly incorporated, registered and validly existing under the Applicable Law.
- (ii) As on date, the Company is registered with the Reserve Bank of India as a non-banking financial company.
- (iii) It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) BINDING OBLIGATIONS:

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) NON-CONFLICT WITH OTHER OBLIGATIONS:

The entry into, and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- (i) any Applicable Law; or
- (ii) its constitutional documents; or
- (iii) any agreement or instrument entered into by the Company or binding upon it or any of its assets.

(d) TRANSACTION DOCUMENTS:

The Company has duly executed / will execute and delivered / will deliver each of the Transaction Documents and each of such Transaction Documents constitute upon execution a legal, valid and binding obligation of the Company enforceable against the Company without any further action being required with respect to such documents.

(e) NO DEFAULT:

- (i) No Event of Default or potential Event of Default has currently occurred and is continuing as of the date hereof or might reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (ii) No other event or circumstance is outstanding which constitutes as on the date hereof (or which would, with the lapse of time, the expiry of a grace period, the giving of notice, the making of any determination under the relevant document, the satisfaction of any other condition or any combination of any of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument under which the Company has incurred any Financial Indebtedness or which is binding on the Company or to which any of its assets are subject in respect of which the Company has received a notice or which might have a Material Adverse Effect.

(f) PARI PASSU RANKING:

Its payment obligations under the Transaction Documents rank *pari passu* with the claims of all of its present and future senior secured creditors except for obligations mandatorily preferred by law applying to companies generally.

(a) Each Debenture issued by the Issuer will constitute direct, secured and senior obligations of the Issuer. The claims of the Debenture Holders shall be superior to the claims of investors/lenders of Tier I and Tier II Capital and shall rank *pari passu* to all unsubordinated, secured indebtedness of the Issuer.

(b) Each of the Debenture Holders shall inter-se rank *pari passu* in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.

(g) NO PROCEEDINGS PENDING:

- (i) No litigation, arbitration or administrative proceedings of or before any Governmental Authority, has been made, are pending, or is threatened, against the Company, which may result in the occurrence of a Material Adverse Effect.
- (ii) There is no unsatisfied judgment or award passed by any court, arbitrator or other body against the Company, currently subsisting, which has not been satisfied by the Company within the time frame stipulated in such judgment or award.

(h) NO MISLEADING INFORMATION:

All information set out in the financial statements furnished by the Company to the Debenture Trustee and all information provided by the Company to the Debenture Holders for the purposes of this Issue is true and accurate in all respects as at the date it was provided or as at the date (if any) on which it is stated.

(i) COMPLIANCE WITH LAW

It is in compliance in all respects with all Applicable Law for the performance of its obligations with respect to this Issue for them to carry on their business and is not subject to any liability by reason of non-compliance with any Applicable Law.

(j) ASSETS:

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U67120MH1992PLC068060 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges) the details of which security interests and encumbrances have been set out under **Schedule VI** (*List of existing creditors of the Company*) of **Part D** of the Debenture Trust Deed, the Company has, free from any Security Interest or encumbrance, the absolute legal, marketable and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all assets necessary or desirable for the conduct of its business as it is being, and is proposed to be, conducted.

(k) FINANCIAL STATEMENTS:

- (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with GAAP / IND AS consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2022 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(l) SOLVENCY:

- (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Law, nor in any such case, will it become so in consequence of entering into the Debenture Trust Deed and the Transaction Documents.
 - (ii) The Company has not by reason of actual or anticipated financial difficulties, commenced, and neither does it intend to commence, negotiations with one or more of their creditors with a view to rescheduling any of their Financial Indebtedness;
 - (iii) The value of the assets of the Company is more than its respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
 - (iv) Except as separately disclosed in writing to the Debenture Holder(s), no moratorium has been, or may, in the foreseeable future be, declared in respect of any Financial Indebtedness of the Company.
 - (v) As on the date hereof, the Company has neither taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (m) TAXATION MATTERS
- (i) The Company has duly and punctually paid and discharged all taxes within the time period allowed under Applicable Law.
 - (ii) The Company has complied with all the requirements as specified under the respective tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Company to any tax authority for taxation and for any other tax or duty purposes, have been made and are correct.
- (n) MATERIAL ADVERSE EFFECT
- The Company hereby represents that there is no Material Adverse Effect existing and that there are no event or circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or on the Debenture Holder(s)) or on the ability of the Company to make the scheduled Payments in relation to the Debentures. In the event of any disagreement or dispute between any Company and the Debenture Holders regarding the materiality of any matter, the opinion of Debenture Holders in relation to the materiality shall be final and binding on the Company.
- (o) INSOLVENCY

The Company has not taken any action, including actions under the IBC, nor has any application been made for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

(p) SECURITY

- (i) Save and except the Permitted Security Interest created / to be created in favour of the Other Security Holder(s) and the charge created to secure the Debentures the Hypothecated Assets herein before expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and is free from any other mortgage, charge or encumbrance and is not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority and that the Company has a clear and marketable title to the Hypothecated Assets.
- (ii) There are no legal proceedings, suits, appeals or other actions under Applicable Law, whether judicial, fiscal or administrative, pending or threatened in writing, or claims in respect of the Hypothecated Assets, which may result in the occurrence of a Material Adverse Effect.

(q) DEFAULTER STATUS

Neither the Company nor any of the directors of the Company appear on the Reserve Bank of India's list of defaulters and Export & Credit Guarantee Corporation's caution list.

(r) POWER AND AUTHORITY:

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(s) VALIDITY AND ADMISSIBILITY IN EVIDENCE:

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) to enable it to carry on its business, trade and ordinary activities;

have been obtained or effected and are in full force and effect.

COVENANTS OF THE ISSUER

Q. Affirmative and Reporting Covenants

The Company hereby covenants with the Debenture Trustee that the Company shall, (except as may otherwise be previously agreed in writing by the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders), undertakes to comply with the following covenants:

(a) Utilisation of proceeds of Debentures

- (i) The object of the Issue is to raise senior secured debt aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis and the Company shall utilise up to 100% (One Hundred Percent) of the monies received for the general corporate purposes of the Company including without limitation upto 50% (Fifty Percent) towards repayment of existing debt, and upto 50% (Fifty Percent) to finance the growth of portfolio of the Company as permitted by the Reserve Bank of India for bank finance (the “**Purpose**”).
- (ii) Pending full utilization of issue proceeds, the Issuer shall be entitled to invest the issue proceeds in high quality interest bearing money market instruments, mutual funds and deposits with banks as detailed under Transaction documents
- (iii) The Company shall within 45 (Forty Five) calendar days from the end of every quarter submit to BSE, a statement indicating the utilization of issue proceeds of the Debentures, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds of Debentures were raised has been achieved.

(b) Validity of Transaction Documents

Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.

(c) Further documents and acts

Execute all such deeds, documents, instruments and assurances and do all such acts and things including the appointment of any consultant as the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and the Debentures on behalf of and for perfecting the Debenture Trust Deed or for effectuating and completing the Security intended to be hereby created or for ensuring that if applicable, the Security is adequately insured and is in proper condition and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Assets and in particular the Company shall execute all transfers, conveyances,

assignments and assurance of the Hypothecated Assets whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.

- (d) Make the Relevant filings with the Registrar of Companies/SEBI

Pursuant to the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein including the Form PAS-3 for return of allotment with the Registrar of Companies and/or SEBI within the timelines stipulated under the Act and the relevant rules thereunder.

- (e) Compliance with laws

The Company shall comply with:

- (i) all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the SEBI NCS Regulations, as may be in force from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended, modified or re-enacted from time to time) ("SEBI Listing Regulations"), and (iii) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act (as amended, modified or re-enacted from time to time);
- (ii) comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (as amended, modified or re-enacted from time to time), the SEBI NCS Regulations, the Act and/or any other notification, circular, press release issued by the SEBI, from time to time (as amended, modified or re-enacted from time to time).
- (iii) comply with all applicable guidelines issued by the Reserve Bank of India including without limitation the RBI Master Direction – Non Banking Financial Company-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time, as applicable and and/or any other notification, circular, press release issued by the RBI, from time to time (such covenant is hereinafter referred to as the "RBI Compliance Covenant").
- (iv) The Company shall, while submitting quarterly / annual financial results to the BSE disclose *inter alia* the following line items along with the financial results and the same shall be communicated to the Debenture Holder(s):
 - A. debt- equity ratio of the company;
 - B. debenture redemption reserve (if applicable);
 - C. net worth;

- D. net profit after tax;
- E. earnings per share;
- F. current ratio;
- G. long term debt to working capital;
- H. bad debts to account receivable ratio;
- I. current liability ratio;
- J. total debts to total assets;
- K. debtors turnover;
- L. inventory turnover;
- M. operating margin (%);
- N. net profit margin (%); and
- O. sector specific equivalent ratios, as applicable.

(f) Notify the Debenture Trustee

The Company shall provide / cause to be provided information in respect of the following promptly and no later than 2 (Two) Business Days from the occurrence of such event (unless otherwise specifically provided):

- (i) **inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting the Hypothecated Assets.**
- (ii) **Inform the Debenture Trustee promptly of any amalgamation, merger or reconstruction scheme proposed by the Company.**
- (iii) inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (iv) **The Company agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:**
 - A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;

- B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/holders of debt securities; and
 - C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.
- (g) notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Company or the entering into any agreement or arrangement by any person that may affect the assets and liabilities of the Company, at least 3 (Three) Business Days prior to the date on which such action is proposed to be given effect.**
- (h) Furnish Information to Debenture Trustee**

Give to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 5 (Five) calendar days from the occurrence of such event (unless otherwise specifically provided):

 - (i) Submit to the Debenture Trustee, if so requested, a statement that the assets of the Company which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.**
 - (ii) Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Company that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers in relation to the Hypothecated Assets as required by the Debenture Trustee.**
 - (iii) Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Debenture Trustee (and to the Debenture Holders), containing the following particulars:**
 - A. Periodical status/performance reports from the Company within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;**
 - B. Updated list of the names and addresses of the Debenture Holder(s);**
 - C. Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof;**

- D. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Company, and those grievances not yet solved to the satisfaction of the Debenture Holder(s);**
 - E. Certificate from an independent Chartered Accountant, certifying the value of book debts/receivables underlying the Hypothecated Assets;**
 - F. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of its compliance.**
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- (iv) The Company hereby covenants and undertakes that it shall within 60 (Sixty) calendar days from the end of each financial quarter, submit to the Debenture Trustee, an asset / security cover certificate in respect of the Hypothecated Assets in the applicable format prescribed under Annexure A of the SEBI circular dated November 12, 2020 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/23) and with effect from October 01, 2022 in the applicable format prescribed under Annexure I of the SEBI circular dated May 19, 2022 (bearing reference number: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2022/ 67) to enable the Debenture Trustee to submit the same to the relevant stock exchange(s) within the timelines stipulated under Applicable Law.**
 - (v) The Company shall submit a certificate from its statutory auditor to the Debenture Trustee on a half-yearly basis, giving the value of receivables / book debts comprising the Hypothecated Assets including compliance with the covenants of the Placement Memorandum in the manner as may be specified by SEBI from time to time and certifying maintenance of hundred percent asset / security cover or a higher asset cover (in this case being the Required Security Cover) as per the terms of the Placement Memorandum and/or the Debenture Trust Deed along with the financial results of the Company in the manner and format as specified by SEBI.**
 - (vi) The Company undertakes to provide all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218 and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230, as amended, replaced or modified from time to time.**

- (vii) The Company shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law.**
- (viii) notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any respect.**
- (ix) provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Company as the Debenture Trustee may reasonably request in relation to the Payments due to be made on the Debentures.**

(i) Required Security Cover

The Company shall maintain the Required Security Cover as required under the Deed of Hypothecation at all times until the Final Settlement Date.

(j) Transfer of unclaimed Redemption Amounts.

The Company shall comply with the provisions of the Act relating to transfer of unclaimed redemption and coupon amounts of Debentures to Investor Education and Protection Fund (“IEPF”), if applicable to it.

(k) Security

The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) The Debentures shall be secured by way of a first ranking *pari passu* and continuing charge on the Hypothecated Assets by executing the Deed of Hypothecation prior to filing of the listing application with BSE Limited for listing of the Debentures, which charge shall be shared on a *pari passu* basis with the Other Security Holders;**
- (ii) It shall perfect the security over the Hypothecated Assets by filing Form CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;**
- (iii) The Company shall, if applicable, keep the Hypothecated Assets adequately insured, in a proper condition and shall pay all taxes, cesses, insurance premium with the Hypothecated Assets within the time permissible under Applicable Laws.**
- (iv) The Company covenants that it shall co-operate and shall provide all necessary**

assistance and furnish such information or documents as may be required by the Debenture Trustee and/or the Debenture Holders, to the satisfaction of the Debenture Trustee to enable it to make necessary filings in connection with the creation of security over the Hypothecated Assets with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India promptly but not later than 3 (Three) calendar days from the date on which the information is requested by the Debenture Trustee and/or the Debenture Holders.

(l) Financial Terms and Conditions

The Company shall at all times during the term of these presents comply with each of the Financial Terms and Conditions.

(m) **The Company shall carry out subsequent valuation of the Hypothecated Assets, at the request of the Debenture Trustee promptly but not later than 5 (Five) Calendar days from receiving the request, if applicable;**

(n) **The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Act and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable to it as if they are actually and physically incorporated herein in the Debenture Trust Deed;**

(o) **Within 5 (Five) Business Days of receipt of a request from the Debenture Trustee, the Company shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility and the Company shall render all such assistance as may be required by the Debenture Trustee / Debenture Holders for submission to the Information Utility.**

(p) **The Company shall submit to the Debenture Trustee, such information as may be required by the Debenture Trustee from time to time.**

(q) LISTING

Take all steps for making an application to the WDM segment of the BSE and all steps necessary to get the Debentures listed within 3 (Three) working days from the date of closing of the Issue. In case of delay in listing of the debt securities beyond 3 (Three) working days from the date of closing of the Issue, the Company will (i) pay penal interest of 1% (One percent) p.a. over the Coupon Rate from the Deemed Date of Allotment till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from BSE in respect of the Debentures.

(r) PRESERVE CORPORATE STATUS

Diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company and any other rights, licenses, authorizations and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

(s) COSTS AND EXPENSES

Pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture-holders' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred.

(t) INCREASED COSTS

Defend and hold the Debenture Holders, harmless from and against any and all direct losses, costs or damages incurred by it as a result of, arising from, or in connection with or relating to (i) any matter inconsistent with, or any breach of, the representations and/or warranties made by the Company in the Transaction Documents; or (ii) the non-performance (in whole or in part) by the Company of any of its covenants, obligations or agreements contained in the Transaction Documents.

(u) FURTHER ASSURANCES

The Company shall:

- (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (ii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all licenses or authorisations necessary to enable it lawfully to enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed and the other Transaction Documents;
- (iii) comply with any monitoring and/or servicing requests from Debenture Holder(s);
- (iv) comply with all Applicable Laws, as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time,

including but not limited, in relation to the following (i) the SEBI NCS Regulations; and (ii) the provisions of the listing agreement entered into by the Company with the Stock Exchange in relation to the Debentures.

- (v) duly and punctually pay any rent, rate, cess, revenue impost, duty, tax, premium, payables and outgoings which become lawfully payable by the Company in respect of the assets of the Company or any part thereof or the carrying out by the Company or maintenance of any business or operations thereon and shall prevent any part of the assets of the Company from becoming charged with the payment of any such amounts of any outgoings, duties, taxes, any other payables, which may be lawfully payable by the Company and shall punctually discharge all claims and pay all amounts as stated above which are lawfully payable by the Company, unless contested in good faith.
- (vi) hereby expressly agrees that each Debenture Holder may in its sole discretion assign or transfer its rights, title and interest in the Debentures to any other Person.
- (vii) conduct its business (including the collection of debts owed to them) in a proper, orderly and efficient manner and must not cease its business without the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
- (viii) comply with any directions/ guidelines issued by any Governmental Authority, in relation to the Issue.

provide such other information relating to the Company (which is relevant to the rights of the Debenture Holders and/ or the ability of the Company to meet its obligations in respect of the Debentures) that is requested for reasonably by the Debenture Trustee in writing at reasonable time intervals. The Company shall be required to furnish all the relevant details to the Debenture Trustee, within 2 (Two) Business Days from the receipt of such request.

- (v) CORPORATE GOVERNANCE

Confirm to and comply with the corporate governance and fair practices code as prescribed by the RBI.

- (w) INTERNAL CONTROL

The Company shall maintain sufficient internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money from being used for money laundering or for illegal purposes.

(x) FINANCIAL STATEMENTS

(i) The Company shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), the duly audited annual financial accounts and statements on a standalone and consolidated basis within 60 (Sixty) calendar days from the closure of the preceding financial year. The Company shall ensure that the audited annual financial statements submitted by the Company:

- A. provide a true and fair view of the state of affairs of the Company, as at the relevant date;
- B. contain in all respects: (A) full provision for all actual liabilities; (B) in respect of audited statements, disclosure / provision for all contingent liabilities as required by the auditors and/or under Applicable Law and/or any other law for the time being in force; (C) provision reasonably regarded as adequate for all bad and doubtful debts for accounts receivables pending collection; (D) advances recoverable from third parties; and (E) due provision for depreciation and amortisation and for any obsolescence of assets in each case in accordance with applicable generally accepted accounting principles;
- C. each set of financial statements delivered to the Debenture Trustee by the Company shall be certified by the statutory auditor or any director or any Key Managerial Personnel of the Company as giving a true and fair view of its financial condition as at the date at which those financial statements were drawn up.
- D. disclose the borrowing / indebtedness incurred by the Company in relation to the Debentures in its audited balance sheet.

(ii) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional/unaudited quarterly financial statements, certified by its chief financial officer, within 45 (Forty Five) calendar days from the close of each financial quarter.

(y) FURTHER DOCUMENTS AND ACTS

Execute all such deeds, documents and assurances and do all such acts and things including the appointment of any consultant as the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and the Debentures

on behalf of and for the benefit of the Debenture Holder(s).

(z) KYC REQUIREMENTS

In the event any of the Debenture Holder(s) is obliged for any reason to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall, promptly on the request of the Debenture Holder(s), supply (or procure the supply of) such documentation and other evidence as is requested in order for the Debenture Holder(s) to carry out, and be satisfied that it has complied with, all necessary "know your customer" or other similar checks under all Applicable Law.

(aa) FINANCIAL TERMS AND CONDITIONS

At all times during the term of these presents comply with each of the Financial Terms and Conditions.

(bb) RECORDS AND INSPECTION

The Company hereby undertakes that it shall:

- (i) keep such adequate accounting and control systems, management information systems, books of account, and other records as are required to be maintained under Applicable Law and such accounts as are adequate to reflect truly and fairly the financial condition and results of operations and which shall contain full, true and correct entries in conformity with IND AS consistently applied and all requirements of Applicable Law;
- (ii) at its sole cost and expense permit the Debenture Trustee, as the representative of the Debenture Holders, to enter into its premises and carry out technical, financial and legal inspections of its assets, facilities and inspect and make copies of the books of record and accounts of the Company to discuss the affairs, finances and accounts of the Company with, and be advised as to the same, by its officers.
- (iii) permit the Debenture Trustee (or any person as the Debenture Trustee shall, from time to time, in writing for that purpose appoint) to enter into or upon and to view the state and condition of all the Hypothecated Assets during the normal working hours of the Company.
- (iv) The Company shall maintain all registers required under the terms of the Act and permit the Debenture Trustee to inspect the same and take copies and extracts therefrom.

(cc) **The Company shall promptly but not later than 1 (One) calendar day notify the Debenture Trustee in writing of:**

- (i) Any Financial Indebtedness availed by the Company from any other creditor / instrument holder is accelerated by such creditor / instrument holder, promptly upon becoming aware of it;
- (ii) any litigation, arbitration or administrative proceedings which have been started or threatened against it which, has been adversely determined;
- (iii) occurrence of any event which has or might cause any potential default under the terms of any agreement entered into by them, in relation to their business, their assets or for the purpose of availing of any Financial Indebtedness or may otherwise result in the occurrence of a Material Adverse Effect.
- (iv) occurrence of any event which constitutes (or, with the giving of notice, lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default, specifying the nature of such event and the steps the Company is proposing to remedy the same.
- (dd) **The Company shall ensure that the Debentures are rated by the Rating Agency and continue to be rated by the Rating Agency during the tenure of the Debentures.**
- (ee) **The credit rating assigned to the Debentures shall not be suspended or withdrawn or remarks such as "Company Not Cooperating" shall not be provided / affixed to the existing credit rating of the Debentures and/or the rating of the Company shall not be downgraded to "BBB" (pronounced as "Triple B") or below by the Rating Agency. It is hereby clarified that for the purpose of this Clause, if the Issue of Debentures is rated by more than 1 (One) credit rating agency, then the lowest of the ratings shall be considered (such covenant is hereinafter referred to as the "Rating Covenant").**
- (ff) **Perform all of its respective obligations under the terms of the Transaction Documents and maintain in full force and effect each of the Transaction Documents to which it is a party.**

R. **NEGATIVE COVENANTS**

The Company hereby covenants with the Debenture Trustee that until the Final Settlement Date, the Company shall not for so long as any amount remains outstanding under the Debentures, except as may otherwise be previously agreed to in writing by the Debenture Trustee (acting upon the receipt of the prior written approval of the Majority Debenture Holder(s)), take any action in relation to the items set out below:

- (a) Dividend and Buyback of Shares

Declare or pay any dividend to its shareholders during any Financial Year and/or buyback any of its shares unless it has paid all the amounts then due and payable on the Debentures and other amounts under the Transaction Documents or has made provisions satisfactory to the Debenture Trustee for making such payments and so long as no Event of Default exists or is continuing or would result therefrom.

(b) No Encumbrance Over Hypothecated Assets

Save and except for the Permitted Security Interest created / to be created in favour of the Other Security Holder(s), the Company shall not, until the Final Settlement Date, create any further charge or encumbrance over the Hypothecated Assets, except as created in favour of the Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Debenture Trust Deed and the Deed of Hypothecation.

(c) Merger, restructuring etc.

Engage in or undertake any corporate restructuring, by way of merger, de-merger, acquisition, restructuring or amalgamation, consolidation.

(d) Arrangement with Creditors/Shareholders

Enter into any transaction of merger, acquisition, amalgamation, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Company defaulting in relation to any of its payment obligations in relation to the Debentures.

(e) Constitutional Documents

It shall not make any amendments or modifications to the Memorandum of Association or to the Articles of Association in a manner which would, in the opinion of the Debenture Trustee would have a Material Adverse Effect.

(f) Change of Business

(i) Undertake any major new business outside of financial services or diversify or any change in the general nature and conduct of its business outside of financial services;

(ii) Undertake any material change in the nature and conduct of business of the Company.

(g) Amendments to Transaction Documents

Shall not make any amendments, variations, waiver or modification to the provisions of the Transaction Documents.

(h) Termination of Business

Shall not do or voluntarily suffer or permit to be done any act or thing whereby the right of the Company to transact its business might or could be terminated or whereby payment of any amounts hereunder may or would be hindered or delayed.

(i) Winding-Up / Liquidation

Shall not voluntarily wind up, liquidate, or dissolve its affairs, and shall ensure that the shareholders of each of such persons, do not vote on any resolution placed before the shareholders related to liquidation (whether voluntary or compulsory) of such persons prior to fulfilment of its obligations in respect of the Debentures.

(j) Compromise or Arrangement

Shall not enter into any compromise or arrangement or settlement with any of their creditors, whether secured or unsecured and shall ensure that the shareholders of each of such persons, do not vote for such persons to enter into any scheme of arrangement with their creditors generally without its liability with respect to the Debentures being completely discharged.

S. FINANCIAL COVENANTS

Financial Covenants as per clause 5.27 (Issue Details)

EVENTS OF DEFAULT

If one or more of the events specified below happen(s) (hereinafter each an “Event of Default” and collectively, “Events of Default”), the Debenture Trustee shall, by a notice in writing to the Company take all such action, expressly or impliedly permitted under the Transaction Documents or in law.

(a) NON-PAYMENT

The failure to pay any amount payable in relation to the Debentures, including without limitation failure to make payment of the principal amount of the Debentures and/or the Coupon and/or any other amounts due in respect of the Debentures including the Payments in respect of the Debentures on the Due Date(s) at the place at which and in the currency in which it is expressed to be payable.

(b) CESSATION OF BUSINESS

(i) The Company ceases to carry on its business thereof or gives notice, in writing, of its intention to do so.

(ii) The cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Company or the passing of any order of a court ordering, restraining or otherwise preventing the Company from conducting its business.

(iii) Any supervisory authority or any competent court or tribunal or Governmental Authority requires the Company to cease to do business; or

- (iv) any approval or consent or authorization given by any person (including any supervisory authority or any creditor) to the Company in respect of its business is withdrawn or the Company fails to obtain or renew any such approval or consent or authorization

(c) BREACH OF TERMS OF THE DEBENTURE TRUST DEED AND THE TRANSACTION DOCUMENTS

Except for the event contained in Clause 7.4(a) (*Payment Default*) above, the Company defaults in the performance of any of its representations, warranties, obligations and covenants provided under the terms of the Debenture Trust Deed and/or the Transaction Documents.

(d) SECURITY

- (i) Save and except for the Permitted Security Interest created / to be created in favour of the Other Security Holders, when the Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof without the prior approval of the Debenture Trustee / Debenture Holders.
- (ii) Save and except for the Permitted Security Interest created / to be created in favour of the Other Security Holders, if the Hypothecated Assets or any part thereof is sold, leased, transferred, assigned, charged, encumbered or alienated without the approval of the Debenture Trustee.
- (iii) if, in the reasonable opinion of the Debenture Trustee, the Security is in jeopardy.
- (iv) The value of the Hypothecated Assets is insufficient to maintain the Security Cover and the Company fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the stipulated timelines prescribed in the relevant Transaction Document.
- (v) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable
- (vi) In the event the Required Security Cover is not maintained by the Company.

(e) INSOLVENCY OR INABILITY TO PAY DEBTS

- (i) The Company is unable or admits in writing its inability to pay its debts as they mature or, suspends making payments on any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation

have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company.

(ii) In the event that any notice is received by the Company threatening the initiation of corporate insolvency resolution process of the Company under the IBC in terms of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

(iii) Any application or any application has been filed or proceedings have been initiated against the Company by any financial creditor or any other entities under IBC.

(f) FRAUD, EMBEZZLEMENT ETC

There shall have occurred any act of material fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds of the Company or revenues or the funds of the promoter or any other act having a similar effect being committed by the management or an officer of the Company.

(g) CROSS DEFAULT

If the Company and/or any of its subsidiaries, in regards to any Financial Indebtedness availed by it from the Debenture Holders and/or any third party (a) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (b) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Financial Indebtedness to become due prior to its stated maturity; or (c) any Financial Indebtedness of the Company and/or any of its subsidiaries is declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment (whether or not such right shall have been waived), prior to the stated maturity thereof, provided that any voluntary prepayment made by the Company and/or any of its subsidiaries including any exercise of option by the Debenture Holder of the Company and/or any of its subsidiaries will not be covered under this clause.

(h) LIQUIDATION OR DISSOLUTION OF THE COMPANY / APPOINTMENT OF RECEIVER OR LIQUIDATOR

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness (unless waived by the Debenture Holder(s) in writing), winding-up, dissolution, insolvency, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;

- (ii) a composition, compromise, assignment or arrangement with any creditor of the Company;
- (iii) the appointment of a liquidator, provisional liquidator, insolvency resolution professional, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets for all or any part of the undertaking of the Company;
- (iv) any enquiry or proceedings commenced before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.101/21.04.048/2017-18 dated February 12, 2018 on "Resolution of Stressed Assets – Revised Framework");
- (v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other Applicable Law, in respect of the Company
- (vi) enforcement of any security over any assets of the Company or any analogous procedure or step is taken in any jurisdiction; or
- (vii) any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in clauses (i), (ii), (iii) and (iv) above.

(i) CREDITORS' PROCESS

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Company.

(j) HYPOTHECATED ASSETS

- (i) Any attachment or expropriation or restraint of act of sequestration is levied on the Hypothecated Assets of the Company or any part thereof.
- (ii) Failure of the Company to create the Security and to register and perfect the

charge created over the Hypothecated Assets by filing Form CHG-9 with the relevant Registrar of Companies within the timelines stipulated in the Debenture Trust Deed.

(k) TRANSACTION DOCUMENTS

The Debenture Trust Deed or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company.

(l) WINDING UP

- (iii) In the event the shareholders of the Company pass a resolution for the winding up of the Company.
- (iv) In the event a petition is filed for the winding up of the Company or a petition is filed in relation to the insolvency or bankruptcy of the Company and the same is admitted.

(m) EXPROPRIATION, NATIONALIZATION ETC.

All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired by any Governmental Authority, or any Governmental Authority shall have assumed custody or Control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations by or under the authority of any Government or Governmental authority.

(n) OFFENCES BY THE PROMOTER, MANAGEMENT ETC

The Promoter or any of the senior management officials including Key Managerial Personnel (each as defined under the Act) being declared as a 'wilful defaulter' as defined under the applicable RBI regulations and/or any of the director(s) and/or any of the Promoter of the Company are accused of, charged with, arrested or convicted in a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the Promoter and/or the director(s), including any accusations, charges and/or convictions of any offence relating to bribery.

(o) PETITION FOR REORGANIZATION, WINDING UP

A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefits of its creditors generally.

(p) REORGANISATION, REARRANGEMENT ETC.

The Company has taken or suffered to be taken any action for re-organisation of its share capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holder(s).

(q) MISLEADING REPRESENTATIONS

Any representation or warranty made by the Company in any Transaction Document delivered to the Debenture Trustee/Debenture Holders by the Company is incorrect, false or misleading in any respect when made or deemed made and such misrepresentation.

(r) CHANGE IN BUSINESS

There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Company, since the date hereof that has resulted in a Material Adverse Effect, as determined by the Debenture Trustee (acting solely on the instructions of the Majority Debenture Holders).

(s) UNLAWFULNESS

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

(t) REPUDIATION

The Company rescinds, repudiates any of the Transaction Documents, or purports to rescind or repudiate or evidences an intention to rescind or repudiate any of the Transaction Documents (in whole or in part).

(u) MATERIAL LITIGATION

Any litigation, arbitration or administrative proceedings which have been admitted by the adjudicating authority against it which results in a liability exceeding Rs. 10,00,00,000/- (Rupees Ten Crores only).

(v) SUSPENSION OF LICENSES

In the event any license obtained by the Company from any Governmental Authority which license is required under Applicable Law for the Company to conduct its business and operations, has been suspended.

(w) MATERIAL ADVERSE EFFECT

Occurrence of any event or circumstances constituting a Material Adverse Effect.

CONSEQUENCES OF EVENTS OF DEFAULT

- (a) On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Majority Debenture Holder(s), (a) upon the expiry of the cure period provided to the Company (if any), or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed cure period, the Debenture Trustee shall exercise any or all of the following rights:
- (i) to accelerate the redemption of the Debentures together with accrued but unpaid Coupon, and the Secured Obligations including all other costs, charges and expenses accrued or outstanding under the Transaction Documents to be immediately (or such other date as the Debenture Trustee may specify) due and payable, whereupon they shall become so due and payable immediately; and/or
 - (ii) Simultaneously, the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be entitled to enforce the charge over the Hypothecated Assets in accordance with the terms of the Transaction Documents to recover the amounts due and payable in respect of the Debentures under the Transaction Documents; and/or
 - (iii) exercise any and all rights specified under the Debenture Trust Deed and/or the other Transaction Documents, including without limitation, to accelerate the redemption of the Debentures; and/or
 - (iv) exercise such other remedies, including legal and equitable rights, as permitted or available under Applicable Law (including initiating insolvency proceedings under IBC) or the Transaction Documents; and/or
 - (v) exercise any other right that the Debenture Trustee and /or Debenture Holder(s) may have under the Transaction Documents or under Applicable law including in relation to the enforcement of security / entering into the inter-creditor agreement by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders with the creditors of the Company pursuant to the SEBI Circular dated October 13, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/203), as amended, modified or replaced from time to time and in relation to Recovery Expense Fund pursuant to the circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 issued by SEBI, as amended, modified or replaced from time to time.
- (b) It is clarified that upon the occurrence of an Event of Default, the Default Interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rate shall be charged

on the outstanding Secured Obligations, in addition to the rights of the Debenture Holders under Clause 7.5(a) above.

(c) It is clarified that upon the occurrence of an Event of Default, the Company shall not create any securities or create any fresh security or sell any assets including Hypothecated Assets including by way of direct assignment or securitisation, without the written permission of the Majority Debenture Holders.

(d) Notwithstanding any cancellation or termination pursuant to **Clause 7.5 (Consequences of an Event of Default)** above, all the provisions of the Transaction Documents for the benefit or protection of the Debenture Holders and their interests shall continue to be in full force and effect as specifically provided in the Transaction Documents. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default set out in this Placement Memorandum and/or Clause 2.6 (Events of Default) or Clause 1.12.5 (Events of Default) of the Debenture Trust Deed or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

**Please note that the capitalised terms used in this Section 7, but not defined herein, shall have the*

meaning as assigned to such term in the Debenture Trust Deed.

Section 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trust Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trust Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trust Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum / Offer Document which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders:

- T. Creating of any additional security; and
- U. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

Right to accept or reject Applications

The Board of Directors/Borrowing Committee reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) if by way of personal delivery, when delivered or (b) if by way of letter, 2 (Two) Business Days after it has been deposited in the post (by registered post, with acknowledgment due), postage prepaid in an envelope duly addressed to the addressee or (c) if by way of e-mail, when received in legible form.

Issue Procedure

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be

Date: January 24, 2023

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printed on the refund orders and /or redemptions warrants. All payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant.

Details of size of the Issue including green shoe option, if any	Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")
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Process flow of settlement:

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the Private Placement Offer cum Application Letter have been issued by the Issuer and who have submitted/shall submit the application form ("**Successful Bidders**"), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below, on the Deemed Date of Allotment:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Beneficiary Name:	Avanse Financial Services Limited
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Bank Account No.	915020028361470
IFSC CODE:	UTIB0000028
Bank Name	Axis Bank Limited
Branch Address:	Mangal Mahal, Turner Road, Bandra (W.), Mumbai- 400 050

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

Application Procedure

Potential investors will be invited to subscribe by way of the Application Form prescribed in the Private Placement Offer cum Application Letter / Placement Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

Fictitious Application

All fictitious applications will be rejected.

Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a “yield – time” priority basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- V. Mutual Funds
- W. Non-banking financial companies
- X. Provident Funds and Pension Funds
- Y. Corporates
- Z. Banks
- AA. Foreign Portfolio Investors (FPIs)
- BB. Foreign Institutional Investors (FIIs)
- CC. Qualified Foreign Investors (QFIs)
- DD. Insurance Companies
- EE. Investment holding companies of high net worth individuals
- FF. Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

All Eligible Investors are required to check and comply with Laws/ applicable laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Hosting of the Placement Memorandum on the website of BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI NCS Regulations. Eligible Investors should check their eligibility before making any investment.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

Procedure for Applying for Dematerialised Facility

- GG. The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.
- HH. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- II. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- JJ. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- KK. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- LL. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- MM. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

NN. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- OO. SEBI registration certificate
- PP. Resolution authorizing investment and containing operating instructions
- QQ. Specimen signature of authorized signatories

Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- RR. Memorandum and Articles of Association or other constitutional documents
- SS. Resolution authorising investment
- TT. Power of Attorney to custodian
- UU. Specimen signatures of the authorised signatories
- VV. SEBI registration certificate (for Mutual Funds)
- WW. Copy of PAN card
- XX. Application Form (including EFT/RTGS details)

Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

Mode of Payment

All payments must be made through EFT/RTGS in accordance with the Guidelines as set out in the Application Form.

Effect of Holidays

In the event that any Coupon Payment Date or the due date for the performance of any event, falls on a day which is not a Business Day, the immediately succeeding Business Day shall be due date for the Coupon payment or the performance of the event however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a day which is not a Business Day.

If the Maturity Date (also being the last Coupon Payment Date) falls on a day which is not a Business Day, all Payments to be made on such Maturity Date (along with accrued Coupon calculated for the period until but excluding the date of payment) shall be made on a Business Day immediately preceding the Redemption Date.

It is hereby clarified that any payments to be made in relation to the Debentures shall also be subject to the day count convention as per the SEBI NCS Regulations.

Tax Deduction at Source

Interest will be paid to the Debenture Holder subject to deduction of tax deducted at source (where applicable) at the rate prescribed from time to time under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force. Unless required by Applicable Law, the Company will not make any deduction towards withholding tax in relation to any payments made to the Debenture Holders pursuant to the Debenture Trust Deed and the other Transaction Documents

Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment.

Record Date

The Record Date for each Due Date will be 15 (Fifteen) calendar days prior to the relevant Due Date.

Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within seven days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

Interest on Application Money

Interest shall be payable on all application monies received at the Coupon Rate, from the date of realization of the application monies by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

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PAN Number

Every applicant should mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and CDSL and accordingly the account of the Debenture Holder(s) with NSDL and CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

Process of Due Diligence (DD) to be carried out by the Debenture Trustee:

The due diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993 and circulars issued by SEBI from time to time. This would broadly include the following:

- A. Chartered Accountant (CA) appointed by the Debenture Trustee will:
 - (a) conduct independent due diligence as per scope provided, regarding Security offered by the Issuer;
 - (b) ascertain, verify, and ensure that the assets offered as Security by the Issuer are free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders;
 - (c) conduct independent due diligence on the basis of data / information provided by the Issuer.
 - (d) periodically, undertake due diligence as envisaged in SEBI circulars depending on the nature of Security.
- B. On basis of the CA's report / finding due diligence certificate will be issued by the Debenture Trustee and will be filed with the relevant stock exchange.

While the Debentures are secured as per terms of the Offer Document / Placement Memorandum and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realisation of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial recovery of either principal or interest.

Due diligence conducted herein is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on the Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

Permission / Consent from the prior creditors and undertaking on creation of charge

The Company hereby undertakes that it has obtained prior consent from the existing creditors, wherever applicable for the creation of *pari passu* first ranking charge on the Security, for the Debentures.

Undertaking by the Issuer

The Issuer undertakes that:

- YY. it will take all steps for completion of the formalities required for listing and commencement of trading at the stock exchange where the Debentures are proposed to be listed within reasonable time;
- ZZ. the RBI circular dated March 1, 2012, bearing reference 'RBI/2011-12/423 A.P. (DIR Series) Circular No. 89' and titled 'Foreign Institutional Investor (FII) investment in 'to be listed' debt securities' will be complied with for listing of the Debentures, if and to the extent applicable;
- AAA. the funds required for refund of application money in case of non-allotment or partial allotment of Debentures shall be made available by the Issuer;
- BBB. necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the Debentures are outstanding;
- CCC. the complaints received in respect of the Issue shall be attended to by the Issuer expeditiously and satisfactorily;
- DDD. the Issuer shall disclose the complete name and address of the Debenture Trustee in the annual report;
- EEE. the Security created by Issuer shall be registered with Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered

only as a breach of covenants/ terms of the issue by the Issuer and will not affect the validity of the Security.

Disclaimer: Please note that only those persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

Section 9: UNDERTAKING

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Placement Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Placement Memorandum is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Placement Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Issuer and the Issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters of the Issuer and Permanent Account Number of the directors of the Issuer have been submitted to the stock exchange(s) on which the non-convertible securities are proposed to be listed, at the time of filing of the draft Placement Memorandum.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 18 under 'General Risks'.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the relevant stock exchange's website where the Debentures are listed.

For Avanse Financial Services Limited

Authorised Signatory

Name: Bhavesh Rawal

Title: Finance Controller

Date: January 24, 2023

Date: January 24, 2023

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Section 10: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Addressed to: _____

Serial No: _____

January 24, 2023**FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER***[Pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014]*

Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs 1,00,000/- (Rs. One Lakhs Only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")

1.6 General Information:**A. Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company:	Avanse Financial Services Limited
Registered Office:	001 & 002 Fulcrum, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099
Corporate Office:	001 & 002 Fulcrum, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099
Telephone No.:	+91 22 6859 9999
Website:	www.avanse.com
Fax:	--
Contact Person:	Mr. Rajesh Gandhi
Email:	companysecretary@avanse.com

B. Date of Incorporation of the Company:

August 7, 1992

C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**A. Overview:**

Avanse Financial Services Ltd. ("Avanse" or the "Company" or the "Issuer") is a Systemically Important Non-Deposit accepting NBFC regulated by RBI and we have started our business operations from the month of January 2013. We are a subsidiary of Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC, one of the global leading private equity firm.

Our vision – To be India's Leading Customer Centric Digitally Agile NBFC focused on Profitable Growth with Leadership position in Education Financing.

Background

Avanse Financial Services Limited is a new age, education-focused NBFC on a mission to provide seamless and affordable education financing for every deserving Indian student.

Established in 2013, Avanse is on a journey to strengthen its position in Education Lending by creating solutions for individuals (Education Loans) and Indian institutions (Education Institution Financing). The Company commenced its operations in January 2013. The Company is operating out of sixteen locations across the country.

Details of branches with address as on March 31, 2022 is as follows:

The Company operates its business through twelve branches across India viz. Mumbai, Delhi, Chennai, Kolkata, Hyderabad, Pune, Ahmedabad, Bangalore, Raipur, Jaipur, Indore & Chandigarh and four sales representative offices viz. Coimbatore, Vijaywada, Ludhiana and Vishakapatnam.

The Company does not have any subsidiary.

D. Brief particulars of the management of the Company:

Management Details		
Name	Designation	Description
Mr. Amit Gaiinda	Managing Director & CEO	Over 23 years of experience in building business ground up and managing complexities.
Mr. Vineet Mahajan	Chief Financial Officer	Over 23 years of experience in delivering operational performance transformation, resources raising, balance sheet finalization, budgeting, management reporting etc.
Mr. Samir Kumar Mohanty	Chief Transformation Officer	Over 20 years of experience in Information Technology, Operations and collection.
Mr. Amit Yadav	Chief Strategy Officer and Chief Business Officer – Digital Business- DIGITAL Business and Strategy Head	Over 17 years of experience in business strategy and implementation.
Mr. Vivek Baranwal	Chief Business Officer – Education Institution Loan and Social Infrastructure Loans	Over 18 years of experience in commercials (sales & distribution)
Mr. Rajesh Kachave	Chief Business Officer – Education Loans	Over 20 years of experience in market expansion, sales & distribution, product development and their launch.

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E. Name, addresses, DIN and occupations of the directors:

Name of the Director, Designation & DIN	Address	Occupation
Ms. Savita Mahajan, Independent Director, 06492679	Town House No. 3, 222, Rajpur Road, Max Estates, Rajpur, Dehradun, Uttarakhand – 248009	Self-employed
Mr. Neeraj Swaroop, Independent Director, 00061170	1104, Signia Isles, G Block, Near Dhirubhai International School, Bandra Kurla Complex, Bandra East, Mumbai - 400051	Self-employed
Ms. Vijayalakshmi Iyer, Independent Director, 05242960	1402, Barberry Towers, Nahar Amrut Shakti, Chandivilli, Powai, Andheri East, Mumbai - 400 072	Self-employed
Mr. Narendra Ostawal, Non-executive Director, 06530414	B-4101, 41st floor, One Avighna Park, Mahadeo Palav Marg, Curry Road, Parel, Mumbai – 400012	Service
Mr. Ravi Venkatraman, Independent Director, 00307328	A/4, Plot No. NA-52, New Samrat Society, Andheri Kurla Road, Opp. Vishal Hall, Andheri (E), Mumbai - 400069	Self-employed
Mr. Amit Gaiinda, Managing Director and CEO, 09494847	Flat No. 003, Lower First, A Wing, Oberoi Exquisite, Dindoshi Village, Goregaon East, Mumbai – 400063	Service

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1.7 MANAGEMENT PERCEPTION OF RISK FACTORS:

Please refer to this Placement Memorandum.

1.8 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to this Placement Memorandum.

1.9 Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

- (i) Statutory Dues: NIL
- (ii) Debentures and interest thereon: NIL
- (iii) Deposits and interest thereon: NIL
- (iv) Loan from any bank or financial institution and interest thereon: NIL

1.10 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:

Name: Mr. Rajesh Gandhi
Designation: Company Secretary
Address: 001 & 002 Fulcrum Building, A Wing.
Next to Hyatt Regency Hotel, Sahar Road,
Andheri (East), Mumbai-400099
Phone No.: 02-68599999
Email: Companysecretary@avanse.com

1.11 Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:

Nil

1.12 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer to CHAPTER A below.
Date of passing of Board Resolution	Board Resolution dated May 05, 2022 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Company dated January 24, 2023. A certified true copy of the said resolution is attached hereto as CHAPTER C .
Date of passing of resolution in [annual / extra-ordinary general meeting], authorizing the offer of securities	Shareholders resolutions under Section 42 of the Companies Act, 2013 dated September 27, 2022 and under Section 180(1)(a) & Section 180(1)(c) of the Companies Act, 2013 dated March 7, 2018. A certified true copy of the said resolutions is attached hereto as CHAPTER D .
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Issue of up to 10,000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures offace value of Rs. 1,00,000/- (Rupees One Lakh Only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (RupeesOne Hundred Crores only) on a private placement basis (the "Issue")
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable.
The class or classes of persons to whom the allotment is proposed to be made	
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable.

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The proposed time within which the allotment shall be completed	Issue Opening Date: 31 January 2023 Issue Closing Date: 31 January 2023 Pay-in Date: 1 February 2023 Deemed Date of Allotment: 1 February 2023
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable.
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement.
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	As given below

Sr. No.	Number of NCDs Allotted	Type of NCDs allotted	Face Value of each NCDs (in INR)	Aggregate value of NCDs (IN INR)	Preferential basis/private placement/rights issue	Number of allottees
1	950	NCD Series 15	10,00,000	95,00,00,000	Private Placement	1
2	3750	NCD Series 16	10,00,000	3,75,00,00,000	Private Placement	3
3	2000	NCD Series 17	10,00,000	2,00,00,00,000	Private Placement	3
4	4000	NCD Series 18	10,00,000	400,00,00,000	Private Placement	13
5	2000	NCD Series 19	10,00,000	200,00,00,000	Private Placement	1
6	2000	NCD Series 20	10,00,000	200,00,00,000	Private Placement	1
7	1500	NCD Series 21	10,00,000	150,00,00,000	Private Placement	2
8	2500	NCD Series 22	10,00,000	250,00,00,000	Private Placement	9
9	2500	NCD Series 23	1,00,000	250,00,00,,000	Private Placement	5

The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	NA
Amount, which the Company intends to raise by way of proposed offer of securities	Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs 1,00,000/- (Rupees One Lakh Only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only)

	with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")	
Terms of raising of securities:	Duration, if applicable:	36 months from the Deemed Date of Allotment.
	Rate of Interest or Coupon:	9.25% (Nine Decimal Point Two Five Percent) per annum payable annually from the Deemed Date of Allotment (net of withholding taxes).
	Mode of Payment	cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer.
	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer
Proposed time schedule for which the Issue/Offer Letter is valid	Issue Opening Date: 31 January 2023 Issue Closing Date: 31 January 2023 Pay-in Date: 1 February 2023 Deemed Date of Allotment: 1 February 2023	
Purpose and objects of the Issue/Offer	<p>To raise senior secured debt to the extent of upto Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue").</p> <p>a. The funds raised through the issue of Debentures shall be utilized for up to 100% (One Hundred Percent) towards the general corporate purposes of the Issuer including without limitation up to 50% (Fifty Percent) towards repayment of existing debt, and up to 50% (Fifty Percent) towards to finance the growth of portfolio of the Issuer as permitted by RBI for bank finance.</p> <p>b. Pending full utilization of issue proceeds, the Issuer shall be entitled to invest the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>	
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	N.A.	
Principal terms of assets charged as security, if applicable	a. The Debentures shall be secured by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) by a first ranking pari-passu charge by way of	

	<p>hypothecation over present and future Loan Receivables of the Issuer ("Hypothecated Assets") with a minimum asset cover of 1.05 (one decimal point zero zero) times. Provided that the Issuer shall be permitted to provide pari passu security interest over the Hypothecated Assets to other lenders to the Issuer or to securitise or assign the portfolio in the normal course of business (other than portfolio part of the security) without requiring any consent from the Debenture Holders shall be required so long as the indebtedness of the Issuer remains within the agreed gearing ratio i.e. agreed Net Debt to Equity ratio, under the Transaction Documents.</p> <p>b. The Issuer undertakes:</p> <ol style="list-style-type: none"> to maintain the value of Security Cover at all times during the tenor of the Debentures; to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 30 (thirty) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation ("Deed of Hypothecation") and filing CHG-9 within the aforementioned time period; <p>c. Eligibility Criteria for the Hypothecated Loan Receivables:</p> <ol style="list-style-type: none"> the receivables must be in the form of loans advanced as permitted by RBI that are not NPA as on the date of hypothecation; the receivables are existing at the time of selection and have not been terminated or pre-paid; the receivables have not been restructured or rescheduled and should be standard (non NPA) all "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	Nil

The pre-issue and post-issue shareholding pattern of the Company in the following format:

Equity Shares					
S. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding

Date: January 24, 2023

For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

A.	Promoter's holding				
1	Indian				
	Individual (Including Joint holding)	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoter	6,60,73,488	80.00	6,60,73,488	80.00
	Subtotal (A)	6,60,73,488	80.00	6,60,73,488	80.00
B.	Non-Promoter's holding				
1	Institutional Investors	1,65,18,373	20.00	1,65,18,373	20.00
2	Non-Institution Investors				
	Private Bodies Corporate (Including Foreign Bodies)	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	-	-	-	-
	Subtotal (B)	1,65,18,373	20.00	1,65,18,373	20.00
	Grand Total (A) + (B)	8,25,91,861	100	8,25,91,861	100

Preference Shares

S. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding
A.	Promoter's holding				
1	Indian				
	Individual (Including Joint holding)	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoter	1,69,51,916	80.00	1,69,51,916	80.00
	Subtotal (A)	1,69,51,916	80.00	1,69,51,916	80.00
B.	Non Promoter's holding				
1	Institutional Investors	42,37,979	20.00	42,37,979	20.00
2	Non-Institution Investors				
	Private Bodies	-	-	-	-

Date: January 24, 2023

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	Corporate (Including Foreign Bodies)				
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	-	-	-	-
	Subtotal (B)	42,37,979	20.00	42,37,979	20.00
	Grand Total (A) + (B)	2,11,89,895	100.00	2,11,89,895	100.00

SECTION 2:

2.1 Mode of payment for subscription (Cheque/ Demand Draft/ other banking channels): Other banking channels – RTGS/NEFT.

2.2 Disclosure with regard to interest of directors, litigation, etc:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	Nil
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be Disclosed	Nil

Remuneration of directors (during the current year and last 3 (three) financial years)	<p>Remuneration paid to Directors of the Company is well within the limit prescribed under the Companies Act, 2013 and the same is disclosed in the Financial Statements and Annual Report of the Company.</p> <p>Please refer the website of the Company (www.avanse.com) for details of Annual Report.</p> <p>Further, details of payment of remuneration paid to Directors for the current financial year (i.e. upto September 30 2022) have been reported to BSE Limited as a part of related party disclosure made by the Company and the same are available on the website of BSE Limited (www.bseindia.com).</p>
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Offer Letter including with regard to loans made or, guarantees given or securities provided	Details of related party transaction for the last three financial years (i.e. for FY2019-20, FY2020-21 and FY2021-22) have been disclosed in the respective Audited Financial Statements forming part of the Annual Report of the respective years and the same are available on the website of the Company (www.avanse.com).
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Offer Letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	None
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Offer Letter in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Offer Letter and if so, section-wise details thereof for the Company and all of its subsidiaries	None
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	None

2.3 Financial Position of the Company:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Share Capital		Rs.
	Authorised		
	175,000,000 Equity Shares of INR 10 each		1,750,000,000
	25,000,000 Preference shares of INR 10 each		250,000,000
	TOTAL		2,000,000,000
	Issued, Subscribed and Fully Paid- up		
	8,25,91,861 Equity shares of INR 10 each		82,59,18,610
	2,11,89,895 Preference shares of INR 10 each		21,18,98,950
	TOTAL		1,03,78,17,560
Size of the Present Offer	Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh Only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")		
Paid-up Capital:	Equity Share Capital: Rs 82.59 cr. Preference Share Capital: Rs. 21.18 cr		
a. After the offer:	Equity Share Capital: Rs 82.59 cr. Preference Share Capital: Rs. 21.18 cr		
b. After the conversion of Convertible Instruments (if applicable)	Not Applicable		
Share Premium Account:			
a. Before the offer:	Rs 759.23 cr		
b. After the offer:	Rs 759.23 cr		

Date: January 24, 2023

For Private Circulation Only

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Details of the existing share capital of the Issuer including details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case:

Equity Shares

S. No.	Date of Allotment	Number of Equity Shares Allotted	Face Value of Shares	Price of allotment (including premium)	Form of consideration	Cumulative Capital (Number of Shares)
1.	12.07.2017	42,75,420	10	64	Cash	3,74,42,933
2.	12.07.2017	50,25,155	10	64	Cash	4,24,68,088
3.	12.07.2017	23,25,145	10	64	Cash	4,47,93,233
4.	31.03.2018	1,16,71,651	10	180	Cash	5,64,64,884
5.	31.03.2018	27,77,777	10	180	Cash	5,92,42,661
6.	26.06.2018	36,12,358	10	180	Cash	6,28,55,019
7.	30.07.2019	1,57,89,474	10	152	Cash	7,86,44,493
8.	02.08.2019	39,47,368	10	152	Cash	8,25,91,861

Preference shares

S. No.	Date of Allotment	Number of Pref. Shares Allotted	Face Value of Shares	Price of allotment (including premium)	Form of consideration	Cumulative Capital (Number of Shares)
1.	16.09.2022	2,11,89,895	10	184.05	Cash	2,11,89,895

Details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case.

Nil

Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Offer Letter	<table><tr><th>FY</th><th>PBT (in INR cr)</th><th colspan="2">PAT (in INR cr)</th></tr><tr><td>FY 2022</td><td>85.46</td><td colspan="2">63.21</td></tr><tr><td>FY 2021</td><td>48.55</td><td colspan="2">37.90</td></tr><tr><td>FY 2020</td><td>31.67</td><td colspan="2">21.52</td></tr></table>				FY	PBT (in INR cr)	PAT (in INR cr)		FY 2022	85.46	63.21		FY 2021	48.55	37.90		FY 2020	31.67	21.52	
FY	PBT (in INR cr)	PAT (in INR cr)																		
FY 2022	85.46	63.21																		
FY 2021	48.55	37.90																		
FY 2020	31.67	21.52																		
Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)	<table><tr><th>Year</th><th>2022</th><th>2021</th><th>2020</th></tr><tr><td>Dividend Declared</td><td>NIL</td><td>NIL</td><td>NIL</td></tr><tr><td>Interest Coverage Ratio</td><td>1.31</td><td>1.19</td><td>1.13</td></tr></table>				Year	2022	2021	2020	Dividend Declared	NIL	NIL	NIL	Interest Coverage Ratio	1.31	1.19	1.13				
Year	2022	2021	2020																	
Dividend Declared	NIL	NIL	NIL																	
Interest Coverage Ratio	1.31	1.19	1.13																	
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter	Please refer CHAPTER A to this Private Placement Offer cum Application Letter.																			
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter	Please refer CHAPTER B to this Private Placement Offer cum Application Letter.																			
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	Nil																			

Date: January 24, 2023

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PART B (To be filed by the Applicant)

- (i) Name:
- (ii) Father's name:
- (iii) Complete Address including Flat / House Number, Street, Locality, Pin Code:
- (iv) Phone number; if any:
- (v) Email ID, if any:
- (vi) PAN Number: and
- (vii) Bank Account details:
- (viii) Tick whichever is applicable:

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non- debt Instruments) Rules, 2019 prior to subscription of shares: ☐

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non- debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith: ☐

Signature

Initial of the Officer of the Company designated to keep the record**Enclosed***Chapter A- Summary of Financial Position**Chapter B - Audited Cash Flow Statement**Chapter C- Certified true copy of Board Resolution**Chapter D- Certified true copies of the Shareholders' Resolutions*

Optional Attachments, if any

CHAPTER A: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Please refer to Clause 0 of this Placement Memorandum

**CHAPTER B: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING
THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

Please refer to Annexure IV of this Placement Memorandum

CHAPTER C: CERTIFIED TRUE COPY OF BOARD RESOLUTION AND BORROWING COMMITTEE RESOLUTION



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON THURSDAY, MAY 5, 2022 AT MUMBAI - 400099

Approval of issuance of Non-Convertible Debentures on Private Placement basis

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under including any statutory modification(s) or re-enactment(s) thereof including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other SEBI Rules and Regulations, as amended from time to time, Reserve Bank of India Directions, Circulars etc., Memorandum and Articles of Association of the Company, subject to approval of the Shareholders of the Company and subject to any other requisite approval(s), permission(s) and sanction(s) as may be necessary, the consent of the Board of Directors be and is hereby accorded to offer, invite for subscription, issue and allot Secured / Unsecured / Perpetual / Senior / Subordinated Non-Convertible Debentures / Bonds (“NCDs”) upto an amount of ₹1700 Crores (Rupees Seventeen Hundred Crores only) in one or more tranches/series on private placement basis to the eligible investors during the period of 1 (one) year from the date of the approval of the Shareholders of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013 and rules made thereunder and other applicable laws, the Borrowing Committee of the Company be and is hereby authorized to offer, invite for subscription, issue and allot NCDs upto the aforesaid amount in one or more tranches/series at such rate of interest, for the tenure from 1 to 10 years/perpetual and/or on such terms and conditions depending on the prevailing market conditions as the Borrowing Committee may deem fit and appropriate; to identify the persons / eligible investors which may include Qualified Institutional Buyers, Institutional Investors, company, body corporate, individual, persons shortlisted through Electronic Book Mechanism and/or any other eligible investors to whom the NCDs can be offered on Private Placement basis through private placement offer-cum-application / offer letter / Information Memorandum / Disclosure Document;

RESOLVED FURTHER THAT the Borrowing Committee of the Company at its sole discretion be and is hereby authorized to negotiate, finalize the terms and conditions of the issue of NCDs, to appoint Trustees for NCDs and appoint any other agency/person as may be required, to resolve and settle all questions and difficulties that may arise and to do all such acts, deeds, things and matters as may be necessary including authority to delegate all or any of the aforesaid powers to any officer(s)/employee(s) of the Company as it may deem necessary or appropriate to give effect to this resolution;

RESOLVED FURTHER THAT the Borrowing Committee of the Company be and is hereby authorized to amend/modify/alter/delete and finalize the terms and conditions of the Shelf Disclosure Document / Offer Documents / Disclosure Documents / Information Memorandum, Pricing Supplement/Term Sheet, Debentures Trust Deed, Debenture Trust cum Hypothecation Deed, Debenture Trust cum Mortgage Deed, Simple Mortgage Deed, Deed of Hypothecation etc. (collectively to be referred as “Transaction Documents”) executed / to be executed for the purpose of NCDs issued / to be issued by the Company from time to time at its sole discretion and as may be agreed by the Debenture holders / Debenture Trustee including authority to get the requisite approval from the stock exchange, regulatory/statutory bodies, stakeholders etc. and to do all such acts, deeds, things and matters as may be necessary, incidental or ancillary in this regards.”

For Avanse Financial Services Limited

VIKAS PURUSHOTTAM TAREKAR
Digitally signed by VIKAS PURUSHOTTAM TAREKAR
Date: 2022.05.26 18:43:48 +05'30'

Vikas Tarekar
Company Secretary



Avanse Financial Services Ltd.
Registered & Corporate Office:
001 & 002 Fulcrum, A Wing, Ground Floor,
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F: +91 22 6859 9900
www.avanse.com

ASPIRE WITHOUT BOUNDARIES

CIN : U67120MH1992PLC068060 - Formerly known as Avanse Financial Services Pvt. Ltd. & Abhivruddhi Holdings Private Limited

Date: January 24, 2023

For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON NOVEMBER 11, 2022

To approve re-constitution of Borrowing Committee

"RESOLVED THAT pursuant to the provisions of the applicable laws the Borrowing Committee of the Company be and are hereby re-constituted and shall consist of the following Directors/Officials of the Company as its Members effective November 11, 2022 and the respective terms of reference of such committee be amended accordingly:

Borrowing Committee

Sr. No.	Name of the Member	Designation
1	Mr. Amit Ganda, Managing Director & Chief Executive Officer	Chairperson
2	Mr. Vineet Mahajan, Chief Financial Officer	Member
3	Mr. Samir Kumar Mohanty, Chief Transformation Officer	Member
4	Mr. Yogesh Rawat, Chief Operating Officer	Member
5	Mr. Amit Yadav, Chief Business Officer – Digital and Chief Strategy Officer	Member
6	Mr. Sorabh Malhotra, Chief Risk Officer	Member

For Avanse Financial Services Limited

RAJESH
PRAVINKUMAR
AR GANDHI

Rajesh Gandhi
Company Secretary
A-19086



Avanse Financial Services Ltd.
Registered & Corporate Office:
001 & 002 Fulcrum, A Wing, Ground Floor,
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ASPIRE WITHOUT BOUNDARIES

CIN : U67120MH1992PLC008860 - Formerly known as Avanse Financial Services Pvt. Ltd. & Ashwinidhri Holdings Private Limited

CHAPTER D: CERTIFIED TRUE COPY OF SHAREHOLDERS' RESOLUTIONS

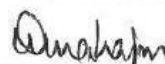
CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE SHAREHOLDERS AT THE 29TH ANNUAL GENERAL MEETING OF AVANSE FINANCIAL SERVICES LIMITED HELD ON SEPTEMBER 27, 2022

Item No. 5 Issue of Non-Convertible Debentures on Private Placement Basis

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under including any statutory modifications or reenactments thereof and pursuant to SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and other applicable SEBI Rules and Regulations, as amended from time to time, including applicable Reserve Bank of India Directions, Guidelines, Circulars etc. and in accordance to Memorandum and Articles of Association of the Company and subject to other applicable laws, rules and regulations, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board / Board of Directors" which term shall include any Committee which the Board may have constituted /reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this resolution) to offer, invite for subscription, issue and allot Secured / Unsecured / Perpetual / Senior / Subordinated Non-Convertible Debentures / Bonds ("NCDs") upto an amount of ₹ 3000 Crore (Rupees Three Thousand Crore only), for cash on Private Placement Basis, during the period from the date of the conclusion of the 29th Annual General Meeting ("AGM") till the date of 30th AGM of the Company, in one or more tranches/series to the eligible investors on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions and wherever necessary in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and / or any other agency as the Board may in its absolute discretion deem fit and appropriate, however at any given point of time the aggregate limit of funds raised / to be raised by the Company including issue of NCDs shall not exceed the overall borrowing limits of the Company as approved by the Shareholders of the Company from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of the aforesaid powers to any Committee, officers, employees of the Company as it may deem necessary and to do all such acts, deeds, matters and things as may be required, desirable or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto and to settle any issues, questions, difficulties or doubts that may arise."

For Avanse Financial Services Limited



Vineet Mahajan
Chief Financial Officer



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ASPIRE WITHOUT BOUNDARIES

CIN : U67120MH1992PLC068060 - Formerly known as Avanse Financial Services Pvt. Ltd. & Abhisruddhi Holdings Private Limited

Date: January 24, 2023

For Private Circulation Only

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CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT WITH RESPECT TO ITEM NO. 5 OF 29TH ANNUAL GENERAL MEETING OF AVANSE FINANCIAL SERVICES LIMITED HELD ON SEPTEMBER 27, 2022

Item No. 5

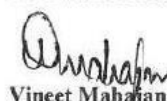
To meet the fund requirements of the Company being a Non-Banking Finance Company, the Board of Directors of the Company at its meeting held on May 5, 2022 and thereafter on September 02, 2022, subject to approval of the shareholders of the Company, approved to raise funds upto an amount of ₹ 3000 Crore (Rupees Three Thousand Crore only), by way of issue of Secured / Unsecured / Perpetual / Senior / Subordinated Non- Convertible Debentures/Bonds (NCDs) on private placement basis in one or more tranches/series.

Pursuant to the provisions of the Companies Act, 2013 read with the rules made thereunder, as amended from time to time prior approval of the shareholders of the Company by way of Special Resolution is required once in a year for all the offer or invitation for issue of Non-Convertible Debentures/Bonds to be made during the year on private placement basis.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the resolution set out at Item no. 5 of the Notice.

The Board recommends the resolution set out at Item no. 5 for the approval of the Members.

For Avanse Financial Services Limited


Vineet Mahajan
Chief Financial Officer



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Registered & Corporate Office:
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ASPIRE WITHOUT BOUNDARIES

CIN : U67190MH1992PLC068060 - Formerly known as Avanse Financial Services Pvt. Ltd. & Akhivasthik Holdings Private Limited

Date: January 24, 2023

For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE EXTRA-ORDINARY GENERAL MEETING OF AVANSE FINANCIAL SERVICES LIMITED HELD ON MARCH 7, 2018 AT ITS REGISTERED OFFICE SITUATED AT MUMBAI

"RESOLVED THAT pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactments thereof) consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board / Board of Directors" which term shall include any Committee which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this resolution), for borrowing from time to time, by way of loan, credit facilities, financial assistance etc. any sum or sums of money (either Indian or foreign currency) from Bank(s)/Financial Institution(s)/body corporate(s) or any other sources including through various instruments such as Secured / Unsecured Non Convertible Debentures, Subordinate Debts, Secured/Unsecured Bonds, Perpetual Debt, Commercial Papers, Inter Corporate Deposits, External Commercial Borrowings or any other debt instruments on such terms and conditions and with or without security as the Board may deem fit which together with the monies already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the paid-up capital and free reserves of the Company provided that the total amount of such borrowings shall not at any time exceed the aggregate limit of ₹ 15,000 Crore (Rupees Fifteen Thousand Crore only);

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things, to execute all such documents, instructions and writings as may be required including to delegate the said authority to any director, officer of the Company to give effect to this resolution."

For AVANSE FINANCIAL SERVICES LIMITED

VIKAS
PURUSHOTT
AM TAREKAR
Date: 01/24/2023
T: 022 6859 9999

Vikas Tarekar
Company Secretary



Avanse Financial Services Ltd.
Registered & Corporate Office:
001 & 002 Pulsons, A Wing, Ground Floor,
Sahar Road, Next to Hyatt Regency,
Andheri (East), Mumbai - 400 099 Maharashtra.

T: +91 22 6859 9999
F: +91 22 6859 9900
www.avanse.com

ASPIRE WITHOUT BOUNDARIES

CIN : L07120MH1992PLC000000 - Formerly known as Avanse Financial Services Pvt. Ltd. & Ashwinudbh Halodhas Private Limited



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"RESOLVED THAT pursuant to provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modifications or re-enactments thereof) consent of the Shareholders of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board / Board of Directors" which term shall include any Committee which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this resolution) to hypothecate, mortgage and/or create charge on both movable (including securitization / assignments of Loans and Advances) and/or immovable properties of the Company, wherever situated, both present and future on such terms and conditions as the Board may deem fit, in favour of bank(s), financial institution(s), body corporate(s) or any other persons and trustees for the holders of debentures/bonds/ other instruments to secure borrowings/financial assistance/loans (herein after collectively to be referred as "Loans") provided that the total amount of loans together with interests thereon, compound interest, premium on redemption, all costs, charges, expenses and all other monies payable by the Company in respect of the said loans for which a charge is to be created shall not at any time exceed the aggregate limit of ₹ 15,000 Crore (Rupees Fifteen Thousand Crore only);

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things, to execute all such documents, instructions and writings as may be required including to delegate the said authority to any director, officer of the Company to give effect to this resolution."

For AVANSE FINANCIAL SERVICES LIMITED

Digitally signed by
VIKAS PURUSHOTT
TAREKAR
AM TAREKAR
DN: c=IN, o=AVANSE FINANCIAL SERVICES LIMITED, ou=AVANSE FINANCIAL SERVICES LIMITED, cn=VIKAS PURUSHOTT TAREKAR

Vikas Tarekar
Company Secretary



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Registered & Corporate Office:
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F: +91 22 6859 9900
www.avanse.com

ASPIRE WITHOUT BOUNDARIES

CIN : L67120MH1992PLC0068560 - Formerly known as Avanse Financial Services Pvt. Ltd. & Maharashtra Holdings Private Limited

SECTION 11: DECLARATION BY THE DIRECTORS

We hereby confirm and declare that:

- (a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder, including the compliances in relation to making a private placement of the Debentures;
- (b) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;
- (c) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Memorandum; and
- (d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under 0 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

I am authorized by the Board of Directors of the Company vide resolution dated May 05, 2022 read with the resolution passed by the Borrowing Committee of the Board of Directors of the Company dated January 24, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **Avanse Financial Services Limited**

Name: Bhavesh Rawal
Title: Finance Controller
Date: 24 Jan 2023

ANNEXURE I: RATING LETTER & RATING RATIONALE



RATINGS
No. CARE/BRO/RL/2022-23/1269

Shri Vineet Mahajan
Chief Financial Officer
Avanse Financial Services Limited
001 & 002 Fulcrum, A Wing, Ground Floor,
Sahar Road, Next to Hyatt Regency, Andheri (East),
Mumbai, Maharashtra 400099

December 19, 2022

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debentures

Please refer to our letter no. CARE/BRO/RL/2022-23/1207 October 28, 2022 and your request for revalidation of the rating assigned to the Credit rating for proposed Non-Convertible Debenture, company, for a limit of Rs.1,500.00 crore.]

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Non Convertible Debentures	500.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
2.	Non Convertible Debentures	1,000.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
	Total Instruments	1,500.00 (Rs. One Thousand Five Hundred Crore Only)		

3. [The NCDs are repayable with maturity not exceeding 10 years.]
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument.]

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
CARE Ratings Limited

Unit No. 205-208, 2nd Floor, Prestige Meridian 1,
No. 29, M. G. Road, Bengaluru, Karnataka - 560001
Phone: +91-80-4662 5555

4th Floor, Godrej Coliseum, Somaia Hospital Road, Off
Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

Date: January 24, 2023

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Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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6. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
10. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Tony Mathew

Tony Mathew
Lead Analyst
tony.mathew@careedge.in

Encl.: As above

Nikhil Hardikar

Nikhil Hardikar
Associate Director
nikhil.hardikar@careedge.in

CARE Ratings Limited

Unit No. 205 -208, 2nd Floor, Prestige Meridian 1,
No. 29, M. G. Road, Bengaluru, Karnataka - 560001
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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure I**1. Details of Rated Instrument:**

ISIN No	Series	Amount	Issue Date	Maturity Date	Coupon Rate
INE087P07188	NCD Series 12	35	26-Aug-21	26-Aug-23	8.40%
INE087P07220	NCD Series 16	375	21-Jul-22	21-Dec-23	9.55%
INE087P07261	NCD Series 20	1	07-Sep-22	07-May-24	9.30%
Proposed NCD		1089			
Total Rated		1500			

NH

CARE Ratings Limited

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Date: January 24, 2023

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Press Release


CareEdge
RATINGS

Avanse Financial Services Limited

November 01, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	4,700.00 (Enhanced from 3,700.00)	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Total Bank Facilities	4,700.00 (₹ Four Thousand Seven Hundred Crore Only)		
Subordinated Debt	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Subordinated Debt	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Subordinated Debt	25.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Reaffirmed
Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Reaffirmed
Market Linked Debentures	300.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Reaffirmed
Market Linked Debentures	100.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Reaffirmed
Market Linked Debentures	400.00	CARE PP-MLD A+; Positive (Principal Protected-Market Linked Debentures Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	1,000.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Assigned
Non Convertible Debentures	95.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	55.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	50.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	100.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	300.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	350.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	400.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Non Convertible Debentures	500.00	CARE A+; Positive (Single A Plus; Outlook: Positive)	Reaffirmed
Total Long Term	3,925.00		

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications



Instruments	(₹ Three Thousand Nine Hundred Twenty-Five Crore Only)		
Commercial Paper	150.00	CARE A1+ (A One Plus)	Reaffirmed
Total Short Term Instruments	150.00 (₹ One Hundred Fifty Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

The reaffirmation of the ratings of the long-term bank facilities and various debt instruments of Avanse Financial Services Limited (AFSL) continues to derive strength from its adequate capitalisation levels, comfortable asset quality levels as reflected in relatively low gross non-performing assets (GNPA) primarily aided by its presence in the education loan segment, which continues to have good asset quality. CARE Ratings Limited (CARE Ratings) notes that the discontinued segments of lending to Micro, Small & Medium Enterprises (MSME) and lending to financial institutions (LFI) are the major contributors to the bad loans, and the same has been running down. The discontinued segments accounted for 2.5% of the total assets under management (AUM) as on March 31, 2022. Excluding discontinued segments, GNPA stood at 0.54% as on March 31, 2022, as against overall GNPA of 1.29% as on March 31, 2022. The ratings also take note of improving profitability of the company although the same remains relatively moderate. Improvement in profitability as reflected in the improvement in return on total assets (ROTA) during FY22 was supported by reduction in the cost of funds and improvement in other income supported by higher cross selling, which improved from 0.61% in FY21 to 0.65% in FY22 (refers to the period April 1 to March 31). During September 2022, the company has raised equity of ₹390 crore by way of rights issue. Nevertheless, the ratings continue to be constrained by relatively moderate profitability, relatively moderate size of operations, possibility of asset side risks considering the moderate seasoning of its higher tenure loan book.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Substantial increase in the scale as a result of steady growth and significant support in the form of equity infusion by the shareholders along with maintaining higher share of retail loan portfolio.
- Improvement in financial performance with ROTA of 2% or above along with stable asset quality on a sustained basis.

Negative factors – Factors that could lead to negative rating action/downgrade:

- Any significant deterioration in asset quality with GNPA above 3%.
- Increase in the gearing levels beyond 5x.
- Significant increase in the proportion of wholesale portfolio on a sustained basis.

Outlook: Positive

The AUM of the company witnessed moderate growth during the two years period ended March 31, 2021, with AUM growing from ₹2,852 crore as on March 31, 2019 to ₹3,103 crore as on March 31, 2021, on account of reasons, including discontinuation and run down of MSME and LFI portfolio and COVID-19-induced global slow down in FY21, which resulted in closure of international borders by many foreign countries. With re-opening of the international borders and increase in Indian students opting for overseas education, disbursements increased sharply from ₹977 crore in FY21 to ₹2,950 crore in FY22. The same has resulted in improvement in AUM to ₹4,836 crore as on March 31, 2022. However, the AUM size is relatively moderate. Disbursements during Q1FY23 stood at around ₹1,364 crore as against ₹352 crore in Q1FY22. With continuation of momentum in disbursements during FY23, AUM is expected to grow significantly. 'Positive' outlook continues to reflect the expectation that the company will continue to maintain higher disbursements, which will improve its scale of operations significantly in FY23 and result in significant improvement in profitability. Furthermore, AFSL has witnessed significant reduction in average cost of funds in the past two years ended March 2022. Although part of which can be attributed to declining trend in the rate of interest in the economy, company also benefitted from relatively stable financial performance supported by reduction in exposure to MSME & LFI and stable asset quality in EL segment. It is to be noted that AFSL is expected to mobilise fresh equity in H2FY23 to support growth in its operations. The outlook may be revised to 'Stable' if there is significant moderation in the asset quality and leverage levels exceed 5x on a sustained basis.

Detailed description of the key rating drivers

Key rating strengths



Comfortable capitalisation: The total capital adequacy ratio (CAR) and Tier-1 CAR moderated to 22.96% and 21.61%, respectively, as on March 31, 2022 (March 31, 2021: 32.74% and 30.49%) on account of significant loan book growth of 55.8% during FY22. However, the same stood well above the regulatory requirements (Total CAR of 15% and Tier-1 CAR of 10%). The debt/equity ratio moderated to 3.63x as on March 31, 2022 (March 31, 2021: 2.50x). AFSL's shareholders, Warburg Pincus LLC and IFC had collectively infused ₹300 crore equity during FY20 into AFSL. Furthermore, Warburg Pincus LLC and IFC have infused equity of ₹390 crore during September 2022 in the same proportion of existing shareholding by way of rights issue, which had led to an increase in the equity base providing the necessary capital for near-to-medium term growth. Looking ahead, CARE Ratings expects gearing to remain moderate in line with its growth strategy in the near term. Furthermore, in order to support its growth, the company expects to mobilise fresh equity. As a policy, AFSL expects to maintain its gearing below 5x.

Comfortable asset quality excluding discontinued segments: Gross Stage-3 assets witnessed improvement to 1.29% as on March 31, 2022 (March 31, 2021: 1.72%). However, the net Stage-3 assets witnessed marginal increase to 0.53% as on March 31, 2022 (March 31, 2021: 0.43%). The provision coverage ratio (PCR) moderated from 75.1% in FY21 to 59.3% in FY22. The company had maintained higher PCR during FY21 on account of uncertainty in the overall economic scenario post second wave of COVID-19 and with improvement in the overall economic scenario and minimal disruption in the business witnessed during the third wave of COVID-19, the company has opted to maintain PCR at this level. The asset quality has been moderately impacted in the last two years owing to some accounts of MSME and LFI segment loans slipping into the non-performing assets (NPA) category. Barring these two segments, the Gross Stage-3 assets remained comfortable below 0.54%. It is noteworthy that as on March 31, 2022, 90+dpd stood at ₹77.3 crore, of which ₹52.0 crore corresponds to MSME and LFI segments, which were discontinued. The company has remained cautious in lending in the EIL segment also and has been actively focusing on the retail segment (Education Loan [EL] and Digital Loan [EL-Digital]) recently, with increase in the enrolments to foreign educational universities and the students being given priority for considering visa applications. The company's gross stressed assets improved to 6.94% of gross advances as on March 31, 2022 (March 31, 2021: 8.50%) including restructured and ECLGS loans extended. Going forward, the asset quality is likely to remain at similar levels in the education loan segment and overall asset quality levels are expected to improve gradually in the medium term with run-down of the MSME and LFI loan portfolio, which at present constitute around 2.5% of the total AUM. Additionally, the asset quality performance of the school funding segment (EIL) will remain a key monitorable.

The asset quality of the education loans (EL) is largely driven by the earnings potential of the students. The asset quality risk is negated to a large extent with the company adopting student-led approach in its lending practices with estimated earning potential of students derived through combination of academic track record of the student, track record of university, employment opportunities of the course and the region. The company has governance structure in place with regular reviews at all levels. Detailed key risk indicators are tracked monthly and addressed, supported by monthly operations committee and Risk review. Continuous monitoring is carried out based on external environment, customer data and bureau trends and analytics driven early warning signals, propensity to bounce models, credit loss forecasting models, etc.

Improving liability profile with diversifying resource base and significant improvement in cost of funds: Post new management takeover, the company has improved diversification in its liability profile. The company has an established lender base of 29 lenders as on March 31, 2022. The loans from the banks form majority of the borrowings constituting 59% of overall borrowings as on March 31, 2022, followed by non-convertible debentures (NCDs) (32.5%), loans from financial institutions (FIs) (4.2%), ECB (3.1%) and CP (0.7%). Average cost of funds as reflected in interest expenses/average total borrowings witnessed significant improvement, especially capital market borrowings witnessed good reduction in the cost in FY22. The company's overall cost of funds have witnessed significant improvement from 10.80% in FY21 to 9.34% in FY22. While part of which can be attributed to declining trend in rate of interest in the economy, the company also benefited from relatively stable financial performance supported by reduction in exposure to MSME & LFI and stable asset quality in EL segment. NCD borrowing rates have also witnessed significant improvement over the past two financial years. Going forward, the ability of the company to diversify its funds further and raise longer tenure borrowings will be closely monitored. Though in the near term, the cost of funds is expected to go up with the trend of raising interest rates, with major portion of assets being linked to variable rate (Avanse Base Rate), AFSL is expected to pass on the increase in the interest cost with a lag to protect the spreads.

Key rating weaknesses

Moderate profitability, although is on improving trend: The ROTA has improved from 1.06% in FY21 (0.63% in FY20) to 1.40% in FY22, primarily driven by reduction in cost of funds and credit costs. The company's cost of funds witnessed improvement from 10.80% in FY21 to 9.34% in FY22, and with higher drop in the cost of funds as compared to the yields, the interest spread improved in FY22. The company's operational expenses/average total assets witnessed improvement at 2.88%

Press Release



during FY22 (FY21: 3.12%) and cost to income (CTI) ratio witnessed improvement during FY22 and stood at 55.39% as against 61.20% during FY21 with increase in the scale of operations and pick-up in disbursements in FY22. On account of lower provisions made during the year, the credit costs stood lower at 0.42% in FY22 as against 0.62% in FY21. With increased focus on cross selling, other income/average assets increased from 0.61% in FY21 to 0.65% in FY22. Consequently, the company reported higher ROTA of 1.40% during FY22 as against 1.06% in FY21. Though return on net worth (RONW) has improved from 4.20% in FY21 to 6.64% in FY22, it continues to be relatively moderate. The company reported total income and profit after tax (PAT) of ₹181 crore and ₹30 crore, respectively, during Q1FY23 as against ₹113 crore and ₹12 crore, respectively, in Q1FY22 aided by growth in the scale of operations. Going forward, the company's ability to raise funds at competitive rates and exhibit improvement in the operational efficiency with reduction in operational expenses/ average total assets would be key to improve earnings from current levels.

Limited seasoning of the loan portfolio: The company commenced business operations in January 2013. The company's AUM witnessed growth of 55.8% during FY22 and stood at ₹4,836 crore as on March 31, 2022 (March 31, 2021: ₹3,103 crore). However, considering AFSL's average loan book tenure of around 10 years, the seasoning of the loan portfolio is moderate, given high loan book growth during FY22 and one full loan cycle yet to be completed in segments other than EL and EL digital segment. The segments, which have not completed one full loan cycle, constituted around 27.4% of AUM as on March 31, 2022.

Product and geographic concentration risk: AFSL is primarily present into education loans exposing it to sector concentration risk as any fall in the demand for educational loan may severely impact the disbursements and profitability of the company. Also, educational loans have seasonal demand based upon the admission procedures in various institutions. AFSL has discontinued the MSME and LFI loan segments after change in the promoters in 2019. Thereafter, the company has been gradually diversifying into the digital segment (financing for e-learning loans), which constitutes around 10% of the AUM as on March 31, 2022. Subsequently, it has partnered directly/indirectly with more than 160 EdTech companies. Geographically, 47.8% of the loan portfolio in education loan segment is concentrated in the US followed by Canada (22.8%), UK (10.8%), India (9.8%), and rest constituting 8.9% in education loan book.

Liquidity: Adequate

The company generally maintains liquid balances to cover around 1.5 months of net outflows including disbursements. The free cash & bank balances and liquid investments stood at ₹778 crore as on June 30, 2022 (Provisional). As on June 30, 2022, the company had positive cumulative surplus across all maturity-buckets of the asset liability management (ALM) profile (including prepayment assumptions).

Analytical approach: Standalone

Applicable criteria

[Policy on default recognition](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Market Linked Notes](#)

[Non Banking Financial Companies](#)

About the company

AFSL was formed in August 1992 and was known as Abhivruddhi Holdings Pvt. Ltd. (AHPL). Dewan Housing Finance Corporation Ltd. (DHFL) and other promoter group entities bought a 100% stake in AHPL in July 2012 and commenced education loan business from January 2013. International Finance Corporation (IFC) acquired a 20% stake in company for ₹12.75 crore in July 2013. On February 7, 2014, the name of the company was changed from Avanse Financial Services Private Limited to 'Avanse Financial Services Limited'. In March 2019, DHFL and WGC Group entered into a definitive agreement to sell 80% of its stake in AFSL to Olive Vine Investment Ltd, an affiliate of the Warburg Pincus Group. The deal was completed on July 30, 2019. AFSL is engaged in the business of providing education loan for the purpose of higher studies, both in India and abroad, and for professional/ executive courses to working professional and to Education Institutions and schools for their working capital and growth capital requirements. The company now has 11 branches across 8 cities in India. The total AUM stood at around ₹5,700 crore as on June 30, 2022.

Date: January 24, 2023

For Private Circulation Only

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Press Release



Brief Financials (₹ crore)	31-03-2021 (A)	31-03-2022 (A)	Q1FY23 (Prov)
Total operating income	439	508	181
PAT	38	63	30
Total assets	3516	5500	6166
Net stage 3 Assets (%)	0.43	0.53	0.53
ROTA (%)	1.06	1.40	2.04

A: Audited; Prov: Provisional; All ratios are as per CARE Ratings' calculations

Status of non-cooperation with previous CRA: Not applicable**Any other information:** Not applicable**Rating history for the last three years:** Please refer Annexure-2**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3**Complexity level of various instruments rated for this company:** Annexure-4**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT- Cash credit (bank facilities)	-	-	-	-	111.00	CARE A+; Positive
Fund-based-LT- Cash credit (bank facilities) (Proposed)	-	-	-	-	79.00	CARE A+; Positive
Fund-based - LT- Term loan (bank facilities)	-	-	-	March 2029	3740.31	CARE A+; Positive
Fund-based-LT-Term loan (bank facilities) (Proposed)	-	-	-	-	769.69	CARE A+; Positive
Non-convertible debentures	INE087P07022	31-Jul-15	10.10%	31-Jul-25	25.00	CARE A+; Positive
Non-convertible debentures	INE087P07030	07-Aug-15	10.05%	08-Aug-22	5.00	CARE A+; Positive
Non-convertible debentures	INE087P07048	07-Aug-15	10.10%	07-Aug-25	15.00	CARE A+; Positive
Non-convertible debentures	INE087P07063	26-Feb-16	9.65%	26-Feb-23	10.00	CARE A+; Positive
Non-convertible debentures	INE087P07113	12-Dec-19	11.40%	09-Dec-22	195.00	CARE A+; Positive
Non-convertible debentures	INE087P07121	18-Dec-19	11.40%	16-Dec-22	105.00	CARE A+; Positive
Non-convertible debentures	INE087P07139	24-Jun-20	9.50%	23-Jun-23	50.00	CARE A+; Positive
Non-convertible debentures	INE087P07147	07-Jul-20	9.50%	21-Apr-23	50.00	CARE A+; Positive
Non-convertible debentures	INE087P07162	27-Jul-21	8.40%	30-Jul-23	100.0	CARE A+; Positive
Non-convertible debentures	INE087P07170	30-Jul-21	8.40%	26-Aug-23	100.0	CARE A+; Positive
Non-convertible debentures	INE087P07188	26-Aug-21	8.40%	29-Sep-23	35.0	CARE A+; Positive
Non-convertible debentures	INE087P07196	29-Sep-21	8.40%	31-Jul-25	250.0	CARE A+; Positive
Non-convertible debentures	INE087P07204	24-Mar-22	7.40%	08-Aug-22	150.0	CARE A+; Positive
Non-convertible debentures	INE087P07212	19-Apr-22	8.04%	29-Sep-23	95.0	CARE A+; Positive
Non-convertible debentures	INE087P07220	21-Jul-22	9.55%	21-Dec-23	375.0	CARE A+; Positive
Non-convertible debentures	INE087P07253	07-Sep-22	9.30%	07-May-24	200.0	CARE A+; Positive
Non-convertible debentures	INE087P07261	07-Sep-22	9.30%	07-May-24	1.0	CARE A+; Positive
Non-convertible debentures	Proposed	-	-	-	1089.00	CARE A+; Positive
Debentures-Market-linked debentures	INE087P07238	02-Aug-22	Linked to 6.54% G-Sec 2032	25-Jun-24	200.00	CARE PP-MLD A+; Positive
Debentures-Market-linked debentures	INE087P07246	26-Aug-22	Linked to 6.54% G-Sec 2032	03-Oct-24	400.00	CARE PP-MLD A+; Positive

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Debentures-Market-linked debentures	INE087P07279	23-Sep-22	Linked to 6.54% G-Sec 2032	31-Jan-25	150.00	CARE PP-MLD A+; Positive
Debentures-Market-linked debentures	Proposed	-	-	-	250.00	CARE PP-MLD A+; Positive
Debt-Subordinate debt	INE087P08020	30-Jun-17	9.50%	30-Jun-27	25.00	CARE A+; Positive
Debt-Subordinate debt	INE087P08038	27-Dec-17	9.35%	27-Dec-17	25.00	CARE A+; Positive
Debt-Subordinate debt	INE087P08012	16-Mar-16	10.50%	16-Mar-24	25.00	CARE A+; Positive
Commercial paper-Commercial paper (Standalone)	INE087P14697	25-Aug-22	7.60%	23-Nov-22	50.00	CARE A1+
Commercial paper-Commercial paper (Standalone)- Proposed	Proposed	-	-	-	100.00	CARE A1+

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	4510.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
2	Debentures-Non Convertible Debentures	LT	95.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
3	Fund-based - LT-Cash Credit	LT	190.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19)

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					2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)			2)CARE A+ (CWD) (05-Apr-19)
4	Term Loan-Long Term	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
5	Debentures-Non Convertible Debentures	LT	55.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
6	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
7	Fund-based - LT- Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)

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8	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
9	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
10	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
11	Debentures-Non Convertible Debentures	LT	50.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
12	Debentures-Non Convertible Debentures	LT	100.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
13	Fund-based - LT-Term Loan	-	-	-	1)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+



								(CWD) (05-Apr-19)
14	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
15	Debt-Subordinate Debt	LT	25.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A; Stable (29-Sep-20)	1)CARE A; Stable (26-Sep-19) 2)CARE A (CWD) (05-Apr-19)
16	Debentures-Non Convertible Debentures	LT	300.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)
17	Debentures-Non Convertible Debentures	LT	350.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+;	1)CARE A+; Stable (21-Sep-21)	1)CARE A+; Stable (29-Sep-20)	1)CARE A+; Stable (26-Sep-19) 2)CARE A+ (CWD) (05-Apr-19)

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					Positive (01-Aug-22)			
					4)CARE A+; Positive (02-Jun-22)			
18	Commercial Paper- Commercial Paper (Standalone)	ST	150.00	CARE A1+	1)CARE A1+ (23-Sep-22) 2)CARE A1+ (23-Aug-22) 3)CARE A1+ (01-Aug-22) 4)CARE A1+ (02-Jun-22)	1)CARE A1+ (21-Sep-21) 2)CARE A1+ (01-Jun-21)	-	-
19	Debentures-Non Convertible Debentures	LT	400.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	1)CARE A+; Stable (21-Sep-21) 2)CARE A+; Stable (23-Aug-21)	-	-
20	Debentures-Non Convertible Debentures	LT	500.00	CARE A+; Positive	1)CARE A+; Positive (23-Sep-22) 2)CARE A+; Positive (23-Aug-22) 3)CARE A+; Positive (01-Aug-22) 4)CARE A+; Positive (02-Jun-22)	-	-	-
21	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD A+; Positive	1)CARE PP- MLD A+; Positive (23-Sep-22) 2)CARE PP- MLD A+; Positive (23-Aug-22)	-	-	-

					3)CARE PP-MLD A+; Positive (01-Aug-22)			
22	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD A+; Positive	1)CARE PP-MLD A+; Positive (23-Sep-22) 2)CARE PP-MLD A+; Positive (23-Aug-22) 3)CARE PP-MLD A+; Positive (01-Aug-22)	-	-	-
23	Debentures-Market Linked Debentures	LT	300.00	CARE PP-MLD A+; Positive	1)CARE PP-MLD A+; Positive (23-Sep-22) 2)CARE PP-MLD A+; Positive (23-Aug-22)	-	-	-
24	Debentures-Market Linked Debentures	LT	100.00	CARE PP-MLD A+; Positive	1)CARE PP-MLD A+; Positive (23-Sep-22) 2)CARE PP-MLD A+; Positive (23-Aug-22)	-	-	-
25	Debentures-Market Linked Debentures	LT	400.00	CARE PP-MLD A+; Positive	1)CARE PP-MLD A+; Positive (23-Sep-22)	-	-	-
26	Debentures-Non Convertible Debentures	LT	1000.00	CARE A+; Positive				

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Non-Convertible Debentures	Detailed explanation
A. Financial Covenants	
i. Maintenance of CAR	CAR (which shall be calculated as per the extant guidelines of the RBI) shall be maintained at minimum 18% (eighteen per cent) during the tenure of the debentures out of which Tier-1 CAR (which shall be calculated as per the extant guidelines of the RBI) shall be at 13% (thirteen per cent) minimum.
B. Non-financial covenants	
i. Rating-related trigger clause	If the rating of the debentures is suspended or withdrawn or moved to 'issuer not cooperating' category or the long-term rating of the debentures/company is downgraded to A- or below (Acceleration Event), the company shall be required to forthwith and in any



	<p>event within 7 (Seven) calendar days of the occurrence of an Acceleration Event, provide an intimation, in writing to the Debenture Trustee and the Debenture Holders of the occurrence of such Acceleration Event ('Acceleration Event Intimation').</p> <p>Upon the occurrence of an Acceleration Event, each Debenture Holder shall have the right but not the obligation to require the Company to redeem the Debentures held by such Debenture Holder ('Acceleration Option'), by provision of a notice in writing to the company through the Debenture Trustee ('Acceleration Notice'). It is clarified that once the Acceleration Notice is issued by any Debenture Holders as provided for above, the company shall be irrevocably and unconditionally bound to redeem the debentures, in respect of which the Acceleration Notice has been issued, in the manner set out below.</p> <p>Upon receipt of an Acceleration Notice, the Company shall be obliged to redeem the Debentures held by the Debenture Holders who have chosen to exercise the Acceleration Option within 15 (Fifteen) calendar days of the date of the Acceleration Notice.</p>
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Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Commercial paper-Commercial paper (Standalone)	Simple
2	Debentures-Market-linked debentures	Highly Complex
3	Debentures-Non-convertible debentures	Complex
4	Debentures-Non-convertible debentures	Simple
5	Debt-Subordinate debt	Complex
6	Fund-based - LT-Cash credit	Simple
7	Fund-based - LT-Term loan	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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E-mail: saikat.roy@careedge.in**About us:**

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**

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ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE



Link Intime India Pvt. Ltd.
CIN : U67190MH1999PTC118368
C- 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel. : +91 22 4918 6000
Fax : +91 22 4918 6060
E-mail : mumbai@linkintime.co.in
Website : www.linkintime.co.in

Date: 24.01.2023

To

Avanse Financial Services Limited
001 & 002 Fulcrum,
A-Wing, Ground Floor,
Sahar Road,
Next to Hyatt Regency,
Andheri (East), Mumbai, Maharashtra 400099

Dear Sir/Madam,

Sub: Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed Redeemable, Transferable, Non-Convertible Debentures of face value of Rs 1,00,000/- (Rs. One Lakhs Only) each aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")

We refer to the subject issue and hereby accept our appointment as 'Registrar' for Electronic Connectivity Provider to Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed Redeemable, Transferable, Non-Convertible Debentures of face value of Rs 1,00,000/- (Rs. One Lakhs Only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue") and give our consent to incorporate our name as "Registrar to the Issue" in the offer documents.

Our permanent SEBI Registration No.: INR000004058.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

Ganesh Jadhav
Asst. Vice President - Depository Operations

Date: January 24, 2023

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CATALYST

Defined by you. Built by us.



CL/MUM/22-23/DER/1448

Avanse Financial Services Limited
001 & 002, Fulkam, A Wing, Ground Floor,
Sahar Road, Next to Hyatt Regency,
Andheri (East), Mumbai – 400 099.

Dear Sir,

Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating to upto INR 100 Crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, non-convertible debentures aggregating upto INR 100 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustee for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

For Avanse Financial Services Limited


Authorized Signatory


Authorized Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

CATALYST TRUSTEESHIP LIMITED

Head Office: Windows, 17th Floor, IDC, C.S.T. Road, Kurla, Mumbai 400 090 Tel: +91 22 4322 2685 Fax: +91 22 4322 0505

Regd. Office: 22A, Hiran, Plot No. 15, Hiran, Colony (BKC), Post Road, Pune 411 004 Tel: +91 20 46801200

BKC Office: Office No. 202, 20th Floor, Kallada Building, 28, Kallada-Careful Mang. New Delhi - 110001 Tel: +91 11 436 294000

CIN No. U74999MH2009PLC000002 Email: info@ctltrusts.com Website: www.ctltrusts.com

Pune | Mumbai | Bangalore | Delhi | Chennai | GIFT City | Kolkata

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Date: January 24, 2023

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ANNEXURE III: APPLICATION FORM

AVANSE FINANCIAL SERVICES LIMITED**CIN - U67120MH1992PLC068060**

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: 07th Aug 1992**Registered Office:** 001 & 002 Fulcrum Building, A Wing, Ground Floor, Next to Hyatt Regency Hotel, Sahar Road, Andheri (East), Mumbai-400099.**Telephone No.:** 022-68599999 **Fax no.:** 022-68599900**Email id:** investorrelations@avanse.com **Website:** www.avanse.com

Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rs. One Lakh Only) each, aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis (the "Issue")

DEBENTURE SERIES APPLICATION FORM SERIAL NO.				
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To,

Avanse Financial Services Limited

We have read and understood the terms and conditions of the Placement Memorandum dated January 24, 2022 and have considered these in making our decision to apply. We bind ourselves to these terms and conditions and wish to apply for allotment of Debentures.

DEBENTURE SERIES APPLIED FOR:

Number of Debentures _____ In words _____

Amount Rs. _____ /- in words Rupees _____ Only

DETAILS OF PAYMENT:

RTGS No. _____ Drawn on _____

Funds transferred to Avanse Financial Services Limited dated _____

Total Amount Enclosed

(In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS)**SPECIMEN SIGNATURE**

--	--

We request you to please place our name(s) on the Register of Holders.

APPLICANT'S ADDRESS

ADDRESS	
STREET	

Date: January 24, 2023

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CITY					
PIN		PHONE		FAX	
EMAIL ID					

APPLICANT'S PAN/GIR NO. _____ **IT CIRCLE/WARD/DISTRICT** _____

WE ARE () COMPANY () OTHERS () SPECIFY _____

We the undersigned, are agreeable to hold the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	
---	--

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Placement Memorandum is provided by the Issuer and have relied on the same for our investment in these Debentures. We confirm that we have for the purpose of investing in these Debentures made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account on account of non-compliance with this paragraph, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, the risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures on account of factors beyond the control of the Company. We undertake that upon sale or transfer to subsequent investor or transferee ("**Transferee**"), we shall convey all the terms and conditions contained herein and in this Placement Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer (and all such persons acting on its or their behalf) and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee, provided such claim has arisen on account of our breach of any Applicable Law or of this Placement Memorandum and such claim has been upheld by a competent court of law and all appeals have been exhausted.

Applicant's Signature and Stamp

ANNEXURE IV: FINANCIAL STATEMENTS**Financial position of the Company for the last 3 (three) Financial Years****Profit & Loss Account****As per IndAS****(In INR Cr.)**

Particulars		For the year ended March 31, 2020 (Audited)	For the period ended March 31, 2021 (Audited)	For the period ended March 31, 2022 (Audited)	Sep-22 (Un-audited)
I	Income				
	Revenue from operations				
	Interest income	383.97	382.53	475.15	364.26
	Fees and commission income	11.45	13.37	22.74	-
	Net gain on fair value change	9.47	4.52	3.94	2.35
	Net gain on de recognition of financial instrument under amortized cost category	8.42	-	-	14.35
	Other operating income	5.94	7.73	6.45	30.25
	Total revenue from operations	419.27	408.16	508.28	411.21
	Other income	14.5	30.72	0.26	0.22
	Total income	433.78	438.89	508.54	411.44
II	Expenses				
	Finance costs	248.88	256.09	273.89	219.90
	Impairment on financial instruments	20.09	22.31	19.08	16.60
	Employee benefits expense	54.66	59.33	66.47	42.46
	Depreciation and amortization expense	9.49	13.84	12.88	6.01
	Other expenses	40.4	38.74	50.76	33.16
	Total expenses	373.54	390.34	423.08	318.12
III	Profit before exceptional items and tax	60.23	48.54	85.46	93.32
IV	Exceptional items	28.56	-	-	-
V	Profit before tax	31.66	48.54	85.46	93.32
IV	Tax expense				
	Current tax	12.08	16.82	29.83	23.31
	Tax adjustment in respect of earlier year	-	-1.69	-	-

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	Deferred tax	-1.94	-4.48	-7.58	0.40
	Total tax expense	10.14	10.64	22.25	23.70
V	Net profit after tax	21.52	37.89	63.21	69.61

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Balance Sheet

	Particulars	As at March 31 2020 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2022 (Audited)	As at Sept 30, 2022 (Un-audited)
	ASSETS				
I	Financial assets				
(a)	Cash and cash equivalents	643.40	426.38	630.49	1,200.68
(b)	Bank balances other than (a) above	9.98	10.14	26.95	32.10
©	Loans	2,800.74	2,930.85	4,715.99	7,026.15
(d)	Investments	125.00	55.02	12.74	17.56
(e)	Other financial assets	13.81	5.98	9.59	34.14
		3,592.95	3,428.37	5,395.76	8,310.62
II	Non-Financial assets				
(a)	Current tax assets (net)	3.52	1.74	2.77	5.68
(b)	Deferred tax assets (net)	7.36	11.95	19.14	17.65
(c)	Property, plant and equipment	7.72	6.51	6.63	9.24
(d)	Other intangible assets	9.30	8.87	7.76	6.44
(e)	Intangible assets under development	1.61	0.82	1.08	2.65
(f)	Right of use assets	9.91	7.73	4.88	4.89
(g)	Other non-financial assets	7.03	11.07	14.95	12.44
		46.47	48.72	57.20	59.00
	Total Assets	3,639.43	3,477.09	5,452.95	8,369.62
	LIABILITIES AND EQUITY				
	LIABILITIES				
I	Financial Liabilities				
(a)	Derivative Financial instruments	-	1.90	--	
(b)	Trade payables				
	-total outstanding dues of micro and small enterprises	0.01	0.08	0.38	0.32
	-total outstanding dues to creditors other than micro and small enterprises	11.23	17.45	33.79	46.73
(c)	Debt securities	749.16	973.68	1,232.24	3,061.51
(d)	Borrowings (other than debt securities)	1,719.46	1,370.88	2,378.71	3,395.95
(e)	Other financial liabilities	248.70	163.60	789.90	771.38
		2,728.58	2,527.62	4,435.02	7,275.89

	Non-Financial Liabilities				
(a)	Current tax liabilities (net)	4.58	4.09	1.92	0.99
(b)	Provisions	4.10	0.43	0.75	0.85
(c)	Other non-financial liabilities	2.21	3.32	5.60	7.68
		10.90	7.86	8.27	9.52
III	EQUITY				
(a)	Equity share capital	82.59	82.59	82.59	82.59
(b)	Other equity	817.34	859.01	927.07	1,001.62
	Total equity	899.93	941.60	1,009.66	1,084.21
	Total liabilities and equity	3,639.43	3,477.09	5,452.95	8,369.62

Cash Flow Statement

	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2021 (Audited)	As at 31.03.2022 (Audited)	As at 30.09.2022 (Un-audited)
A	Cash flow from operating activities				
	Profit before tax	31.66	48.55	85.46	93.32
	Adjustment for:				-
	Interest income on loans	-	(364.24)	(474.14)	(357.63)
	Depreciation and amortization expenses	9.49	13.85	12.88	6.01
	Net gain on fair value changes (realized)	(9.47)	(4.52)	(3.94)	(2.06)
	Interest Expenses on Borrowings	--	228.80	246.68	191.80
	Provision for impairment on financial instruments	20.09	22.32	14.65	5.90
	Interest on fixed deposits	(11.52)	(29.85)	(14.70)	(10.08)
	Bad-debts written off	0.23	1.40	4.43	10.70
	ESOP Expenses	0.79	4.06	3.69	2.63
	Finance cost in Lease Liability	0.94	1.06	0.90	0.31
	Actuarial loss on post retirement benefit plans	0.18	0.68	0.17	0.38
	Loss on sale of fixed asset	-	-	-	-
	Excess provision written back	(2.58)	-	-	-
	Operating profit before working capital changes	39.82	(77.90)	(123.93)	(58.73)

Date: January 24, 2023

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	Operational cash flows from interest				
	Interest received on loans	--	347.91	465.48	350.77
	Interest paid on borrowings	--	(216.68)	(248.51)	(180.54)
	Adjustment for:				-
	(Increase)/Decrease in loans	118.99	(132.80)	(1,795.57)	(2,319.90)
	Decrease / (Increase) in Other non-financial assets	(5.41)	(4.04)	(3.88)	2.51
	Decrease / (Increase) in financial assets	(5.15)	1.48	0.26	(0.88)
	(Increase) / Decrease in financial assets		(1.20)	(0.10)	(11.54)
	Increase in financial liabilities	62.10	(84.73)	622.80	(34.34)
	Increase in trade payables	1.32	6.30	16.62	12.89
	Increase in non financial liabilities	(0.59)	1.11	2.27	2.08
	Increase / (Decrease) in Provisions	1.81	(3.67)	0.31	0.10
	Cash (used in) operations	212.90	(164.23)	(1,064.23)	(2,237.58)
	Direct taxes paid (net)	(11.77)	(13.84)	(33.03)	(27.16)
	Net cash (used in) operating activities	201.13	(178.06)	(1,097.26)	(2,264.73)
B	Cash flow from investing activities				-
	Investments in mutual fund units	(4,507.00)	(2,219.94)	(2,374.89)	(2,044.90)
	Sale of mutual fund units	4,391.47	2,294.45	2,433.85	2,046.96
	Investments in T-Bill		-	(13.00)	(5.00)
	Interest received on bank deposits	9.58	29.85	14.70	10.08
	Purchase of property, plant & equipment and intangible assets	(13.37)	(7.95)	(9.27)	(7.51)
	Sale of property, plant & equipment	-	-	-	-
	Bank deposit not considered as cash and cash equivalents (net)	21.77	(0.11)	(16.81)	(5.16)
	Net cash (used in) investment activities	(97.54)	96.30	34.59	(5.52)

C	Cash flow from financing activities				-
	Proceeds from issue of equity share (including share premium)	300.00	-	-	-
	Stamp duty expenses on issue of equity shares	(0.30)	-	-	-
	Proceeds from issue of preference shares				390.00
	Proceeds from long-term borrowings	835.04	575.49	2,011.70	2,667.64
	Repayment of long-term borrowings	(495.84)	(708.95)	(766.47)	(220.44)
	Proceeds from short-term borrowings (net)	(239.53)	(0.11)	25.12	5.00
	Finance cost in Lease Liability	(3.03)	(4.51)	(3.57)	(1.75)
	Net cash generated from financing activities	396.33	(138.08)	1,266.77	2,840.45
	Net (Decrease) / Increase in Cash and cash equivalents	499.92	(219.85)	204.10	570.19
	Cash and cash equivalents at the beginning of the year	143.47	646.23	426.38	630.49
	Cash and cash equivalents at the end of the year	643.40	426.38	630.49	1,200.68

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ANNEXURE V: ILLUSTRATION OF DEBENTURE CASH FLOWS

Name of the Issuer	Avanse Financial Services Limited
Face Value (Per Debenture)	INR 1,00,000 (Indian Rupees One Lakh)
Issue Open Date	31 January 2023
Issue Close Date	31 January 2023
Date of Allotment	1 February 2023
Redemption Date	1 February 2026
Coupon Rate	9.25%
Coupon Payment Date	Annually and on Redemption Date (1 February 2024, 1 February 2025, 1 February 2026)
Day count convention	Actual/Actual

a) Redemption Schedule (Per Debenture)

Redemption Installments	Redemption Date	Amount to be redeemed per Debenture (in INR)
1	1 February 2026	1,00,000

b) Illustrative Cashflows (Per Debenture)

Date	Net Cash Flow	Principal Amount per Debenture	Coupon per Debenture	Principal O/s per Debenture
1 February 2023	(1,00,000)			1,00,000
1 February 2024	9,250	-	9,250	1,00,000
1 February 2025	9,250	-	9,250	1,00,000
1 February 2026	9,250	-	9,250	1,00,000
1 February 2026	1,00,000	1,00,000	-	-

ANNEXURE VI: TERMS AND CONDITIONS OF DEBENTURE TRUSTEE AGREEMENT

1. The Company has appointed Catalyst Trusteeship Limited (**Catalyst**) as the Debenture Trustee (**DT**) for the Debenture holders (**DHs**) of all the debentures to be issued by the Company in pursuance of this Disclosure Document and Catalyst agrees to act as DT for the DHs.
2. The Company shall create the securities over its moveable properties and on such terms and conditions as disclosed in this Disclosure Document and execute the Debenture Trust Deed (**DTD**) which shall consist of two parts: Part A containing statutory / standard information and Part B containing details specific to the particular debt issue and other necessary security documents as approved by the DT, within the timeline as per SEBI circular dated 03.11.2020, prior to filing of the application for listing of the Debentures, in accordance with the extant Debt Listing Regulations. The securities so created shall be registered with Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest ("**CERSAI**"), depository or any other institution, as applicable, within 30 days of creation of charge.
3. The Company shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021, debt listing agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time), the Companies Act and other applicable provisions under applicable laws, regulations and guidelines ("**Relevant Laws**") in connection with the issuance, allotment, listing and ensuring continued compliance of the Debentures until the redemption in full of the Debentures. Further the Company undertakes to comply with all regulations/provisions of Companies Act, 2013 and guidelines of other regulatory authorities in respect of allotment of debentures till redemption of such Debentures.
4. **Terms of carrying out due diligence:**
 - (a) The DT, either itself or through itself or its agents /advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in this Disclosure Document and the Relevant Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws and shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/ consultants/lawyers/technical experts/management consultants appointed by the DT.
 - (b) The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by DT. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs shall be solely borne by the Company.
 - (c) The Company shall provide all assistance to the DT to enable verification from the Registrar of Companies, CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Company or any third party security provider for securing the Debentures, are registered / disclosed.

- (d) In the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the DT shall also have the power to verify such conditional consent/ permission is valid as per the terms of the Transaction Documents under which such existing charge was created. The DT shall also have the to intimate existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
5. The Company shall pay to the DT so long as they hold the office of the DT the remuneration for its services as DT in addition to all legal, traveling and other costs, charges and expenses which the DT may incur in relation to execution of the DTD and all other documents executed/to be executed to give effect to the creation of security for securing the Debentures and such any other expenses like advertisement, notices, letters to debenture holders, and additional professional fees / expenses that would be incurred in case of default. The remuneration of the DT shall be as per the mail dated October 25, 2022 as may be amended / modified, if required.
6. The Company shall promptly furnish all and any information as may be required by the DT, including such information as required to be furnished in terms of the Relevant Laws and the DTD on a regular basis, including without limitation the following documents, as may be applicable:
- a. The Disclosure Documents in relation to the issue of Debentures;
 - b. The necessary corporate authorisations by way of board resolution and / or shareholders' resolution necessary for the issue, allotment and the creation of security thereunder;
 - c. The Certificate issued by the Registrar of Companies in relation to the charge created to secure the Debentures;
 - d. Letters from credit rating agencies about ratings;
 - e. Proof of credit of the Debentures in favour of the Debenture holders within the stipulated time.;
 - f. Depository details;
 - g. Latest annual report;
 - h. Debenture Trust Deed and security documents in relation to the Debentures;
 - i. Certified true copy of the resolution(s) for allotment of Debentures;
 - j. Approval for listing of the Debentures from the stock exchange;
 - k. Listing application alongwith the required details / annexures submitted to the stock exchange ;
 - l. Acknowledgement of filing Disclosure Documents with the Stock Exchange/ Registrar of Companies;
 - m. Listing & trading permission from the Stock Exchange;
 - n. Bank account details of the Company alongwith copy of pre-authorisation letter issued by Company to it's banker in relation to the payment of redemption amount;
 - o. Such other documents as may be reasonably required by the DT in accordance with the Relevant Laws.
7. **Information Accuracy and Storage**
- (a) Declaration of the Company declares that the information and data furnished by it to DT is true and correct;
 - (b) Confirmation by the Company confirms that the requisite disclosures made in the Disclosure Documents are true and correct;

- (c) All disclosures made in the Disclosure Documents with respect to creation of security are in confirmation with the clauses of this Agreement
- (d) Confirmation that all disclosures made in the Disclosure Documents with respect to creation of security to be in conformity with the clauses of DTA;
- (e) The Company to authorize DT and its authorized agency to use, process the information in the manner as deemed fit, for the purpose of the due diligence;
- (f) The DT to have an unqualified right to disclose to the DHs the information including the credit history and the conduct of the account(s) of the Company as well as all details in relation to the assets of the Company and all third party security providers, guarantors and other undertaking providers, in such manner and through such medium as the DT in its absolute discretion may think fit, in accordance with and subject to the Relevant Laws.

8. Other Terms and Conditions

- a) The Debenture Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures.
- b) Declaration / confirmation by the Company that the assets on which the charge is proposed to be created to secure the Debentures are free from encumbrances and if assets which are required to be charged to secure the Debentures are already encumbered, to obtain permissions or consent to create *pari passu* charge on the assets of the Company from all the existing charge holders.
- c) Confirmation by the Company having made all necessary disclosures the Disclosure Documents including but not limited to statutory and other regulatory disclosures.
- d) The Company shall on or prior to the date of execution of DTD, provide to the DT, the bank account details from which the Company proposes to make the payment of redemption amount due to the DHs and to preauthorize the DT to seek the redemption amount payment related information from such bank.
- e) At the discretion of the Company, fees may be payable to the Anchor Investor.
- f) The Company shall bear all stamp duty and other expenses pertaining to the issue of the Debentures and execution of the transaction documents including the instrument of Debentures.
- g) The Company shall, pay on demand, all actual costs and expenses (including legal fees) incurred by the DT in connection DTA, all expenses incurred in connection with due diligence, fees and expenses of counsel appointed by the DT incurred in connection with the preparation and execution of the transaction documents / DTD.

ANNEXURE VII: DEBENTURE TRUSTEE DUE DILIGENCE CERTIFICATE**CATALYST**

Believe in yourself... Trust us!



CTL/22-23/7101

To,

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001.

Dear Sir / Madam,

SUB: Issue of up to 10000 (Ten Thousand) Secured, Rated, Listed Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh Only) each under Series 9.25% APSL Series-24 Jan 23 aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with Base Issue of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) on a private placement basis by Avanse Financial Services Limited.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
 - b) The issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
 - c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
 - d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
 - e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
 - f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

CATALYST TRUSTEESHIP LIMITED (Company no. U60100MH2019PLC000001)

As per ISO 9001 Compliance

Mumbai Office: Windsor, 67th Floor, Office No. 604, C.I.T. Road, Malviya, Sakinaka (East), Mumbai 400 098. Tel: +91 802148322 8525; Fax: +91 8021 4023 0804
 Regd. Office: GSA House, Plot No. 85, Bhamburda Colony (Bhamburda) Paved Road, Pune 411 036. Tel: +91 8028126388/8881; Fax: +91 8028123092/25
 Delhi Office: Office No. 81 B, 8th Floor, Kalash Building, 26, Kasturba Complex Marg, New Delhi - 110004. Tel: +91 430 2818 1303.
 CIN No. U60100MH2019PLC000001; Email: info@ctrustee.com; Website: www.catalysttrustee.com
 Pune | Mumbai | Bengaluru | Delhi | Chennai



Date: January 24, 2023

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- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the issuer to service the debt securities.

Place: Mumbai

Date: January 24, 2023



For Catalyst Trusteeship Limited

For Catalyst Trusteeship Limited

Kalyani Pandey
For Catalyst Trusteeship Limited

Kalyani Pandey
Compliance Head

CATALYST TRUSTESHIP LIMITED (INCORPORATED IN INDIA)

AN ISO 9001 COMPANY

Mumbai Office: Windsor, 8th Floor, Office No. 804, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098. Tel: +91 (022) 4802 8555; Fax: +91 (022) 4023 0606
Regd. Office: 60A House, Plot No. 85, Bhamburda Colony (Right), Panch Road, Pune 411 004. Tel: +91 (020) 26386081; Fax: +91 (020) 23080675
Delhi Office: Office No. 818, 8th Floor, Kalash Building, 36, Kasturba Gandhi Marg, New Delhi - 110004. Tel: +91 (011) 480 291 81/82.
CIN No. U04099MH2017PTC0281 Email: info@catalysttrustee.com Website: www.catalysttrustee.com
Pune | Mumbai | Bangalore | Delhi | Chennai



ANNEXURE VIII: TERM SHEET

Please refer to Clause 0 above.

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Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
		₹1010	₹1020	₹1030	₹1040	₹1050	₹1060	₹1070	₹1080	₹1090	₹1100	₹1110
A. OUTFLOWS												
1.Capital (Indefinite)												
(a) Equity Capital	Y010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47,259.39	47,259.39
(b) Perpetual / Non Redeemable Preference Shares	Y030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,319.19	8,319.19
(c) Non-Perpetual / Redeemable Preference Shares	Y040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Others	Y050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.Dividends & Surplus (Indefinite/Dividend/Dividend+Surplus)												
(a) Share Premium Account	Y070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,02,818.14	1,02,818.14
(b) General Reserves	Y080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79,747.17	79,747.17
(c) Statutory/Special Reserve (Section 45-4C reserve to be shown separately below item no.ii)	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.14
(d) Reserves under Sec 45-4C of MR Act 1994	Y100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,296.66	5,296.66
(e) Capital Redemption Reserve	Y110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Debenture Redemption Reserve	Y120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Other Capital Reserves	Y130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(h) Other Revenue Reserves	Y140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Investment Fluctuation Reserves/ Investment Reserves	Y150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(j) Revaluation Reserves (As per)	Y160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(k) Bond Reserves - Property	Y170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(l) Bond Reserves - Financial Assets	Y180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(m) Share Application Money Pending Allotment	Y190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(n) Others (Please mention)	Y200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(o) Balance of profit and loss account	Y210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,475.02	1,475.02
(p) Grants, Donations & Benefactions	Y220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,279.13	20,279.13
(q) Bonds & Notes (Indefinite)	Y230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(r) Plain Vanilla Bonds (As per residual maturity of the instruments)	Y240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(s) Bonds with embedded call / put options including zero coupon / deep discount bonds (As per residual period for the earliest exercise date for the embedded option)	Y250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(t) Fixed Rate Notes	Y260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(u) Subordinated (Indefinite)	Y270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Term Deposits from Public	Y280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(w) Others	Y290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B.Borrowings (Indefinite/Indefinite/Indefinite/Indefinite) </												

Placement Memorandum

Private & Confidential

Date: January 24, 2023

For Private Circulation Only

(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

11. Debt Service Reduction Account	Y1070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,815.84	3,815.84
12. Other Outflows	Y1080	0.00	0.00	34,495.64	608.78	611.98	1,841.13	3,743.84	15,965.99	17,071.83	676.47	75,015.03
13. Outflows On Account of Off-Balance Sheet (OBS) Exposure (Indefinite-term)	Y1090	0.00	0.00	2,163.73	2,163.73	2,163.73	6,491.19	11,982.38	51,929.52	0.00	0.00	77,894.28
(i) loan commitments pending disbursement	Y1100	0.00	0.00	2,163.73	2,163.73	2,163.73	6,491.19	11,982.38	51,929.52	0.00	0.00	77,894.28
(ii) lines of credit committed to other institution	Y1110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Total Letter of Credits	Y1120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Total Guarantees	Y1130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Bills discounted/rediscouted	Y1140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Forward Rate Contracts	Y1160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Futures Contracts	Y1170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Options Contracts	Y1180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Forward Rate Agreements	Y1190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Swaps - Currency	Y1200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Swaps - Interest Rate	Y1210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) Credit Default Swaps	Y1220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(h) Other Derivatives	Y1230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Others	Y1240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. TOTAL OUTFLOWS (A)	Y1250	652.76	22,515.55	64,280.49	7,312.34	13,843.71	38,368.21	1,277,886.80	4,133,321.99	1,277,067.32	1,855,582.32	10,000,839.41
(Sum of 1 to 13)												
B. Cumulative Outflows	Y1260	652.76	23,168.31	87,448.80	94,761.06	1,08,602.77	1,46,970.98	2,74,857.78	6,88,179.77	8,15,247.09	10,00,839.41	10,00,839.41
1. Cash (in 1 to 30/31 day time-bucket)	Y1270	5.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.44
2. Remittance in Transit	Y1280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Balances With Banks	Y1290	31,303.14	15,000.00	10,000.00	73.68	461.42	231.91	90,732.79	113.17	0.00	3,051.61	1,50,967.72
(a) Current Account												
(The stipulated minimum balance be shown in 6 months to 1 year bucket. The balance in excess of the min balance be shown in 1 to 30 day time bucket)	Y1300											
(b) Demand Accounts (Short-Term Deposits)		30,086.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,086.48
(As per residual maturity)	Y1310	1,216.66	15,000.00	10,000.00	73.68	461.42	231.91	90,732.79	113.17	0.00	3,051.61	1,20,881.24
4. Investments (Indefinite-term)	Y1320	0.00	0.00	500.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	7,500.00
(i) Equity Investments (only for NBFCs O)	Y1330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Listed Investments	Y1340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(a) Current	Y1350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Non-current	Y1360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Unlisted Investments	Y1370	0.00	0.00	500.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	7,500.00
(a) Current	Y1380	0.00	0.00	500.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	7,500.00
(b) Non-current	Y1390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Venture Capital Units	Y1400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(v) Others (Please Specify)	Y1410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Advances (Performing)	Y1420	0.00	10,049.66	10,049.66	20,267.53	19,487.28	53,802.15	79,320.22	3,00,769.02	2,51,166.04	0.00	7,44,911.56
(i) Bills of Exchange and Promissory Notes discounted & rediscouted	Y1430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(As per residual maturity of the underlying bills)												
(ii) Term Loans												
(The cash inflows on account of the interest and principal of the loan may be dotted in respective time buckets as per the timing of the cash flows as stipulated in the original / revised repayment schedule)	Y1440	0.00	10,049.66	10,049.66	20,267.53	19,487.28	53,802.15	79,320.22	3,00,769.02	2,51,166.04	0.00	7,44,911.56
(a) Through Regular Payment Schedule	Y1450	0.00	10,049.66	10,049.66	20,267.53	19,487.28	53,802.15	79,320.22	3,00,769.02	2,51,166.04	0.00	7,44,911.56
(b) Through Bullet Payment	Y1460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Interest to be serviced through regular schedule	Y1470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Interest to be serviced to be in Bullet Payment	Y1480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Gross Non-Performing Loans (GNPL)	Y1490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,158.16	3,306.84	6,465.00
(i) Substandard	Y1500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,158.16	0.00	3,158.16
(a) All over due and instalments of principal falling due during the next three years												
(In the 1 to 5 year time-bucket)	Y1510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,158.16	0.00	3,158.16
(b) Entire principal amount due beyond the next three years	Y1520	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(In the over 5 years time-bucket)	Y1530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,306.84	3,306.84
(ii) Doubtful and loss												
(a) All instalments of principal falling due during the next five years as also all over dues												
(In the next 5 years time-bucket)	Y1540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Entire principal amount due beyond the next five years	Y1550	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(In the over 5 years time-bucket)	Y1560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,306.84	3,306.84
7. Inflows From Assets On Lease	Y1570	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8. Fixed Assets (Excluding Assets On Lease)	Y1580	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	854.71	854.71
9. Other Assets:												
(a) Intangible assets & other non-cash flow items												
(In the 'Over 5 year time bucket')	Y1590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,495.08	5,495.08
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.)												
(In respective maturity buckets as per the timing of the cash flows)	Y1600	0.00	22.78	4,666.93	1,136.36	93.68	0.47	25.50	649.85	33.55	116.49	6,745.61
(c) Others	Y1610	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10. Security Finance Transactions (a+b+c+d)	Y1620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
a) Repo												
(As per residual maturity)	Y1630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Reverse Repo												
(As per residual maturity)	Y1640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) CBO												
(As per residual maturity)	Y1650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Others (Please Specify)	Y1660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00