

B S R & Co. LLP

Chartered Accountants

14th Floor, Central Wing B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited Review Report for unaudited quarterly standalone financial results and year-to-date financial results under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Annapurna Finance Private Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Annapurna Finance Private Limited (the 'Company') for the quarter ended 30 September 2021 and year-to-date results for the period from 1 April 2021 to 30 September 2021 (the 'Statement'). Attention is drawn to the fact the figures for the quarters ended 30 June 2021 and 30 September 2020 as reported in these financial results have been approved by the Company's Board of Directors, but not have been subjected to review since the requirement of submission of quarterly financial results has become mandatory with effect from quarters ending on or after 30 September 2021.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

Limited Review Report for unaudited quarterly standalone financial results and year-to-date financial results under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Annapurna Finance Private Limited

Emphasis of Matter

5. As described in Note 6 to the Statement, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of this matter.

Other Matter

6. The comparative figures for the half year ended 30 September 2020 provided in the Statement were reviewed by the predecessor auditors, who have expressed unmodified conclusion on those Statement of Unaudited Financial Results vide their review report dated 24 December 2020. The comparative figures provided in the Statement for the year ended 31 March 2021 were audited by the predecessor auditors, who have expressed an unmodified opinion on those Statement of Standalone Financial Results vide their Independent Auditor's Report dated 30 June 2021.

Our conclusion on the Statement is not modified in respect of the above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No:101248W/W-100022

Sameer Mota
Partner
Membership No: 109928
UDIN: 21109928AAAAXQ9143

Bhubaneswar
12 November 2021

ANNAPURNA FINANCE PRIVATE LIMITED

Registered Office:- Plot No. 1215/1401, Khandagiri Bari, Infront of Jaydev Vatika, Bhubaneswar - 751030
CIN: U65999OR1986PTC015931

Statement of standalone financial results for the quarter and half year ended September 30, 2021

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	INCOME						
	(a) Revenue from operations						
	Interest income	22,947	22,538	20,691	45,485	43,931	90,709
	Gain on assignment of financial assets	2,043	679	-	2,722	-	6,363
	Fees and commission income	38	24	105	61	153	271
	Total revenue from operations	25,028	23,241	20,796	48,268	44,084	97,343
	(b) Other income	139	62	81	201	107	368
	Total income	25,167	23,303	20,877	48,469	44,191	97,711
2	EXPENSES						
	(a) Finance costs	13,069	13,220	13,208	26,289	25,098	51,105
	(b) Impairment on financial instruments	2,059	1,739	2,113	3,798	6,730	19,175
	(c) Employee benefits expenses	6,596	6,214	5,040	12,810	9,145	20,599
	(d) Depreciation, amortization and impairment	251	178	219	429	414	893
	(e) Other expenses	1,733	1,402	1,386	3,135	2,511	5,772
	Total expenses	23,708	22,753	21,966	46,461	43,898	97,544
3	Profit / (loss) before exceptional items and tax (1-2)	1,459	550	(1,089)	2,008	293	167
4	Exceptional items	-	-	-	-	-	-
5	Profit / (loss) before tax (3-4)	1,459	550	(1,089)	2,008	293	167
6	Tax expense						
	(a) Current tax	770	795	266	1,565	1,616	3,705
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-	-
	Net current tax expense	770	795	266	1,565	1,616	3,705
	(c) Deferred tax expense / (credit)	(518)	(656)	(505)	(1,174)	(1,585)	(3,720)
	Total tax expense	252	139	(239)	391	31	(15)
7	Profit / (loss) for the period / year from continuing operation (5-6)	1,207	411	(850)	1,617	262	182
8	Profit / (loss) from discontinued operations	-	-	-	-	-	-
9	Tax expense of discontinued operations	-	-	-	-	-	-
10	Profit / (loss) from discontinued operations (after tax) (8-9)	-	-	-	-	-	-
11	Profit for the period / year (7+10)	1,207	411	(850)	1,617	262	182
12	Other Comprehensive Income (OCI)						
	(a) (i) Items that will not be reclassified to profit or loss						
	- Re-measurement of the defined benefit liabilities	(4)	(4)	6	(8)	(2)	15
	(ii) Income tax relating to items that will not be reclassified to profit	1	1	(2)	2	(1)	(4)
	Sub-total (a)	(3)	(3)	4	(6)	(3)	11
	(b) (i) Items that will be reclassified to profit or loss						
	- Fair value of loans and advances and Cash flow hedge through other comprehensive income	1,512	(2,677)	727	(1,165)	1,985	(635)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(381)	674	(183)	293	(500)	160
	Sub-total (b)	1,131	(2,003)	544	(872)	1,485	(475)
	Other comprehensive income / (loss) (a+b)	1,128	(2,006)	548	(878)	1,482	(464)
13	Total comprehensive income for the period / year (11+12)	2,335	(1,595)	(302)	739	1,744	(282)
14	Earnings per shares (of Rs. 10/- each) (not annualised for interim)						
	(a) Basic (in INR)	1.68	0.57	(1.18)	2.26	0.76	0.26
	(b) Diluted (in INR)	1.60	0.54	(1.18)	2.14	0.63	0.24

ANNAPURNA FINANCE PRIVATE LIMITED

Registered Office:- Plot No. 1215/1401, Khandagiri Bari, Infront of Jaydev Vatika, Bhubaneswar - 751030

CIN: U65999OR1986PTC015931

Note 1

Standalone balance sheet

(INR in Lakhs)

Particulars	As at	As at
	30.09.2021	31.03.2021
	(Unaudited)	(Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	67,665	86,135
Bank balance other than cash and cash equivalents	76,342	82,181
Derivative financial instruments	889	-
Receivables		
(i) Trade receivables	9	37
(ii) Other receivables	-	-
Loans	4,36,069	3,86,716
Investments	500	500
Other financial assets	16,015	14,560
	5,97,489	5,70,129
Non-financial assets		
Current tax assets (net)	125	125
Deferred tax assets (net)	4,624	2,778
Investment property	12	12
Property, plant and equipment	1,543	1,127
Right-of-use assets	65	39
Other intangible assets	182	99
Other non-financial assets	1,090	1,198
	7,641	5,378
	6,05,130	5,75,507
LIABILITIES AND EQUITY		
LIABILITES		
Financial liabilities		
Derivative financial instruments	638	-
Payables		
(I) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	204	227
(II) Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt securities	1,79,092	1,73,854
Borrowings (other than debt securities)	3,02,419	2,82,307
Subordinated liabilities	33,121	32,275
Lease liabilities	70	36
Other financial liabilities	10,340	9,046
	5,25,884	4,97,745
Non-financial liabilities		
Current Tax Liabilities (net)	277	-
Provisions	1,079	1,034
Other non-financial liabilities	483	468
	1,839	1,502
	5,27,723	4,99,247
Equity		
Equity share capital	6,872	6,872
Instruments entirely equity in nature	300	300
Other equity	70,235	69,088
	77,407	76,260
	6,05,130	5,75,507

Annapurna Finance Private Limited

Registered Office:- Plot No. 1215/1401, Khandagiri Bari, Infront of Jaydev Vatika, Bhubaneswar - 751030

CIN: U65999OR1986PTC015931

Note 2

Standalone statement of cash flows for the half year ended September 30, 2021

(INR in Lakhs)

Sr. No.	Particulars	For the half year ended	
		30.09.2021	30.09.2020
		Unaudited	Unaudited
A.	Cash flow from operating activities		
	Profit before exceptional items and tax	2,008	293
	<i>Adjustments for:</i>		
	Depreciation, amortisation and impairment expenses	429	414
	Impairment of financial instruments	3,798	6,730
	Provision for insurance claim receivable and others	82	82
	Profit on sale of current investments	(25)	-
	Profit on sale of property, plant and equipment	(5)	-
	Gain on derecognition of financial instruments	(2,722)	-
	Share based payments to employees	24	89
	Interest income	(42,435)	(40,825)
	Finance cost	25,947	24,035
	Operating profit before working capital changes	(12,899)	(9,182)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Bank balance other than cash and cash equivalents (net)	5,839	(29,606)
	Derivative financial instrument	(889)	-
	Loans	(64,251)	(61,578)
	Trade receivables	28	13
	Other financial and non financial assets	1,300	(8,066)
	Adjustments for increase / (decrease) in operating liabilities:		
	Derivative financial liabilities	638	-
	Trade payables	(23)	(123)
	Other financial and non financial liabilities	1,304	(1,601)
	Provisions	45	200
	Cash used in operations	(68,908)	(1,09,943)
	Interest income received	52,371	49,998
	Finance cost paid	(26,284)	(25,098)
	Income tax paid (net of refunds)	(1,288)	(805)
	Net cash flows used in operating activities (A)	(44,109)	(85,848)
B.	Cash flow from Investing activities		
	Purchase of property, plant and equipment	(719)	(87)
	Proceeds from sale of property, plant and equipment	7	-
	Purchase of Intangible assets	(186)	(43)
	Purchase of current investments	(22,500)	-
	Proceeds on sale of current investments	22,525	-
	Cash flows used in investing activities (B)	(873)	(130)
C.	Cash flow from financing activities		
	Proceeds from issuance of equity share capital (including securities premium)	5	-
	Proceeds from debt securities	13,449	71,188
	Repayment of debt securities	(8,417)	(6,535)
	Repayment of lease liabilities	(30)	(35)
	Proceeds from borrowings (other than debt securities)	1,15,186	81,978
	Repayment of borrowings (other than debt securities)	(94,671)	(67,207)
	Proceeds of subordinated liabilities	4,490	-
	Repayment of subordinated liabilities	(3,500)	(3)
	Cash flows generated from financing activities (C)	26,512	79,386
	Net decrease in cash and cash equivalents (A+B+C)	(18,470)	(6,592)
	Cash and cash equivalents at the beginning of the period	86,135	70,027
	Cash and cash equivalents at the end of the period	67,665	63,435
	Components of cash and cash equivalents at the end of the period		
	Balances with banks:		
	on current accounts	28,845	29,946
	deposit with original maturity of less than three months	38,602	33,255
	Cash on hand	218	234
	Total cash and cash equivalents at the end of the period	67,665	63,435

The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows.

- 3 The above standalone financial results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and have been approved and taken on record by the board of directors at its meeting held on November 12, 2021. The Statutory auditors of the Company have carried out limited review of the aforesaid results.
- 4 The unaudited standalone financial results together with the results for the comparative reporting periods have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ('IND AS') 34 'Interim Financial Reporting' as prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'SEBI Listing Regulations'). Any application guidance /clarification/directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued /applicable.
- 5 The Company, a Non-Banking Finance Company registered with RBI is a Non Deposit taking - Systemically Important - Micro Finance Institution and registered with the RBI.
- 6 Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behavior and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. This may lead to a rise in the number of borrowers defaults and consequently an increase in corresponding provisions. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance and will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us. The Company has incorporated estimates, assumptions, judgements specific to the impact of COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of interim financial results.
- 7 The Indian Parliament has approved the Code on Social Security 2020 which would impact the contribution by the Company towards Provident Fund and Gratuity. The ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial results in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 8 The Company has signed the securities holder agreement for issuance of compulsory convertible debentures amounting INR 150 crores and has issued the offer letter on this behalf as on the date of approval of interim financial results.
- 9 The Company is primarily engaged in the business of financing and there are no separate reportable operating segments identified as per the Ind AS 108 - Segment Reporting.

10 Disclosure pursuant to RBI Notification No RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 pertaining to resolution framework for COVID-19 related stress.

(INR 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^	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

^includes restructuring implemented under the Resolution Framework 1.0

11 Disclosure pursuant to RBI Notification No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 pertaining to Resolution Framework for COVID-19 related stress.

(INR in Lakhs)

Sr no.	Description	Individual Borrowers		Small businesses	Total
		Personal Loans	Business Loans		
(A)	Number of requests received for invoking resolution process under Part A	1,610.00	1,18,941.00	-	1,20,551.00
(B)	Number of accounts where resolution plan has been implemented under this	912.00	80,855.00	-	81,767.00
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	132.25	16,253.54	-	16,385.79
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the	6.72	1,278.90	-	1,285.62
(F)	Increase in provisions on account of the implementation of the resolution	14.37	1,812.85	-	1,827.22

12 RATIOS

Particulars	As at 30.09.2021	As at 30.06.2021	As at 31.03.2021	As at 30.09.2020
(a) Debt Equity Ratio	6.25	5.57	6.07	5.77
(b) Current ratio	1.43	1.56	1.62	1.98
(c) Long term debt to working capital	1.87	1.45	1.51	1.34
(d) Current liability ratio	0.55	0.51	0.49	0.43
(e) Total debts to total assets	0.80	0.78	0.79	0.83
(f) Gross non performing asset (GNPA)	7.22%	7.37%	7.33%	1.22%
(g) Net non performing asset (NNPA)	3.09%	3.12%	3.04%	0.61%
(h) Provision coverage ratio (PCR)	59.70%	60.26%	60.91%	51.09%
(i) Capital risk adequacy ratio (CRAR)	24.85%	27.95%	27.71%	20.42%

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
(a) Net profit margin	4.91%	1.81%	-5.25%	3.34%	0.59%	0.19%
(b) Operating margin	NA	NA	NA	NA	NA	NA
(c) Liquidity coverage ratio (LCR)	1220.00%	774.00%	988.00%	1220.00%	988.00%	1133.00%

- 13 The Secured listed Non-Convertible Debentures of the Company are fully secured by first pari passu charge by way of registered mortgage on one of the Company's land situated at Chennai, all receivables of the Company arising out of loans and advances as book debts, and any other security as identified by the Company and acceptable to the debenture trustee. The minimum security of 100% for the Non convertible debentures outstanding has been maintained.

Particulars	As at	As at
	30.09.2021	31.03.2021
(a) Asset Cover Ratio (listed secured debt securities)	107%	106%
(b) Asset Cover Ratio (unsecured debt)	883%	834%

For Annapurna Finance Private Limited

Date: 12.11.2021
Place: Bhubaneswar

Director
Dibyajyoti Pattanaik
DIN: 02764187