

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited financial results of Annapurna Finance Private Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 52 of 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 financial results of Annapurna Finance Private Limited ("the Company") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement").

Attention is drawn to the fact that the figures for the corresponding quarter ended 31 December 2020 and the corresponding period from 1 April 2020 to 31 December 2020, as reported in these unaudited financial results have been approved by the Company's Board of Directors, but have not been subjected to review since the requirement of submission of quarterly standalone 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 Obligations and Disclosure Requirements) Regulations, 2015. 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 recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. As more fully described in Note 4 to the financial results, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of the above matter.

Registered Office:

B S R & Co. LLP

6. The financial results of the Company for the year ended 31 March 2021 have been audited by the predecessor auditor whose report dated 30 June 2021 had expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

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

Mumbai
11 February 2022

Sameer Mota
Partner
Membership No.: 109928
UDIN:22109928ABHOAF8368

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 period ended December 31, 2021

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Period ended		Year ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	INCOME						
	(a) Revenue from operations						
	Interest income	27,126	22,947	26,278	72,611	70,209	90,709
	Gain on assignment of financial assets	2,697	2,043	-	5,419	-	6,363
	Fees and commission income	21	38	46	82	199	271
	Total revenue from operations	29,844	25,028	26,324	78,112	70,408	97,343
	(b) Other income	272	139	144	474	251	368
	Total income	30,116	25,167	26,468	78,586	70,659	97,711
2	EXPENSES						
	(a) Finance costs	14,952	13,069	13,778	41,241	38,609	51,105
	(b) Impairment on financial instruments	6,514	2,059	4,911	10,312	11,640	19,175
	(c) Employee benefits expenses	7,458	6,596	5,555	20,268	14,700	20,599
	(d) Depreciation, amortization and impairment	322	251	215	751	629	893
	(e) Other expenses	2,116	1,733	1,393	5,251	4,170	5,772
	Total expenses	31,362	23,708	25,852	77,823	69,748	97,544
3	Profit / (loss) before exceptional items and tax (1-2)	(1,246)	1,459	616	763	911	167
4	Exceptional items	-	-	-	-	-	-
5	Profit / (loss) before tax (3-4)	(1,246)	1,459	616	763	911	167
6	Tax expense						
	(a) Current tax	1,751	770	1,196	2,521	2,812	3,705
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-	-
	Net current tax expense	1,751	770	1,196	2,521	2,812	3,705
	(c) Deferred tax expense / (credit)	(1,922)	(518)	(1,019)	(2,440)	(2,604)	(3,720)
	Total tax expense	(171)	252	177	81	208	(15)
7	Profit / (loss) for the period / year from continuing operation (5-6)	(1,075)	1,207	439	682	703	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)	(1,075)	1,207	439	682	703	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	19	(4)	0	12	(2)	15
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(5)	1	(1)	(3)	(1)	(4)
	Sub-total (a)	14	(3)	(1)	9	(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	3,056	1,512	(0)	1,891	1,985	(635)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(769)	(381)	0	(476)	(500)	160
	Sub-total (b)	2,287	1,131	(0)	1,415	1,485	(475)
	Other comprehensive income / (loss) (a+b)	2,301	1,128	(1)	1,424	1,482	(464)
13	Total comprehensive income for the period / year (11+12)	1,226	2,335	438	2,106	2,185	(282)
14	Earnings per share (of Rs. 10/- each) (not annualised for interim periods)						
	(a) Basic (in INR)	(1.74)	1.68	0.61	0.95	0.98	0.26
	(b) Diluted (in INR)	(1.74)	1.60	0.58	0.90	0.93	0.24

Notes

- 1 The above standalone financial results for the quarter and period ended December 31, 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 February 11, 2022. The Statutory auditors of the Company have carried out limited review of the aforesaid results.
- 2 The 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.
- 3 The Company is a Non-Banking Finance Company registered with RBI as a Non Deposit taking - Systemically Important - Micro Finance Institution.
- 4 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 "omnicon and third 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 the Company.
The Company has incorporated estimates, assumptions, judgements specific to the impact of the 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 financial results.
- 5 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.
- 6 During the quarter ended December 31, 2021, the Company has issued compulsory convertible debentures amounting INR 150 crores and compulsory convertible preference shares amounting to INR 259.27 crores.
- 7 The Company has allotted 26,900 equity shares and 30,900 equity shares during the quarter and nine months ended December 31, 2021 respectively, pursuant to the exercise of options under the employee stock option schemes.
- 8 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.

9 Disclosure pursuant to RBI Notification No. RBI/2020-21/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 pertaining to Resolution Framework - 2 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	-	-	-	-
(B)	Number of accounts where resolution plan has been implemented under this	-	1,59,155	-	1,59,155
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	-	27,588.57	-	27,588.57
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the	-	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution	-	2,756.57	-	2,756.57

10 RATIOS

Particulars	As at 31.12.2021	As at 30.09.2021	As at 31.03.2021	As at 31.12.2020
(a) Debt Equity Ratio	7.22	6.25	6.07	5.98
(b) Current ratio	1.97	1.43	1.62	1.80
(c) Long term debt to working capital	1.75	1.87	1.51	1.91
(d) Current liability ratio	0.51	0.55	0.49	0.56
(e) Total debts to total assets	0.86	0.80	0.79	0.84
(f) Gross non performing asset (Stage - 3) (GNPA)	7.96%	7.22%	7.33%	1.22%
(g) Net non performing asset (Stage - 3) (NNPA)	3.65%	3.09%	3.04%	0.61%
(h) Provision coverage ratio (PCR)	57.24%	59.70%	60.91%	51.09%
(i) Capital risk adequacy ratio (CRAR)	32.59%	24.85%	27.71%	19.68%
(j) Liquidity coverage ratio (LCR)	1,279.00%	1,220.00%	1,133.00%	931.00%

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
(a) Net profit margin	(3.57%)	4.91%	1.66%	0.87%	1.00%	0.19%
(b) Operating margin	NA	NA	NA	NA	NA	NA

11 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 31.12.2021	As at 31.03.2021
(a) Asset Cover Ratio (listed secured debt securities)	106%	106%
(b) Asset Cover Ratio (unsecured debt)	1,087%	834%

Date: 11-02-2022
Place: Bhubaneswar

For Annapurna Finance Private Limited

Dibyajyoti Pattanaik
(Director)
DIN: 02764187