

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Annapurna Finance Private Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Annapurna Finance Private Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the figures for the quarter ended 31 March 2021 as reported in these standalone annual financial results have been approved by the Company's Board of Directors, but have not been subjected to audit since the requirement of submission of quarterly standalone financial results has become mandatory with effect from quarters ending on or after 30 September 2021.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, the circulars, guidelines and directions issued by Reserve Bank of India from time to time ("RBI Guidelines") to the extent applicable and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the Standalone annual financial results.

Emphasis of Matter

As more fully described in Note 6 to the standalone annual 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 opinion is not modified in respect of this matter.

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Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, RBI Guidelines to the extent applicable and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, 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 through a separate report on the

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**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results
(Continued)**

complete set of financial statements 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 in the standalone financial results made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results 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.

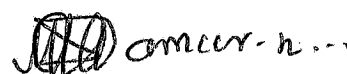
Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

The standalone annual financial results of the Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 30 June 2021.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No.: 101248W/W-100022



Sameer Mota
Partner

Membership Number: 109928
UDIN: 22109928AJSGZR3443

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)

Sr. No.	Particulars	As at	As at
		31.03.2022	31.03.2021
		(Audited)	(Audited)
	ASSETS		
(1)	Financial assets		
(a)	Cash and cash equivalents	95,134	86,135
(b)	Bank balance other than (a) above	94,889	82,181
(c)	Derivative financial instruments	1,355	-
(d)	Receivables		
(i)	Trade receivables	5	37
(ii)	Other receivables	-	-
(e)	Loans	4,88,816	3,86,716
(f)	Investments	500	500
(g)	Other financial assets	26,193	14,560
	Subtotal - Financial assets (A)	7,06,892	5,70,129
(2)	Non-financial assets		
(a)	Current tax assets (net)	2,251	125
(b)	Deferred tax assets (net)	4,810	2,778
(c)	Property, plant and equipment	1,787	1,178
(d)	Intangible assets	156	99
(e)	Other non-financial assets	2,165	1,198
	Subtotal - Non- financial assets (B)	11,169	5,378
	Total assets (A+B)	7,18,061	5,75,507
	LIABILITIES AND EQUITY		
	LIABILITES		
(1)	Financial liabilities		
(a)	Derivative financial instruments	475	-
(b)	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	291	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	-	-
(c)	Debt securities	1,85,677	1,73,854
(d)	Borrowings (other than debt securities)	4,02,413	2,82,307
(e)	Subordinated liabilities	33,150	32,275
(f)	Other financial liabilities	14,937	9,082
	Subtotal - Financial liabilities (A)	6,36,943	4,97,745
(2)	Non-financial liabilities		
(a)	Provisions	1,186	1,034
(b)	Other non-financial liabilities	543	468
	Total non- financial liabilities (B)	1,729	1,502
	Total liabilities	6,38,672	4,99,247
(3)	Equity		
(a)	Equity share capital	6,880	6,872
(b)	Instruments entirely equity in nature	300	300
(c)	Other equity	72,209	69,088
	Subtotal - Equity (C)	79,389	76,260
	Total liabilities and equity (A+B+C)	7,18,061	5,75,507



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Statement of standalone financial results for the quarter and year ended March 31, 2022

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Audited) (Refer note 12)	(Unaudited)	(Audited) (Refer note 12)	(Audited)	(Audited)
1	INCOME					
	(a) Revenue from operations					
	Interest income	26,533	27,126	20,500	99,144	90,709
	Fees and commission income	12	21	72	94	271
	Net gain on fair value changes	169	120	-	314	-
	Net gain on assignment transactions	9,745	2,697	6,363	15,164	6,363
	Total revenue from operations	36,459	29,964	26,935	1,14,716	97,343
	(b) Other income	87	153	117	561	368
	Total income	36,546	30,117	27,052	1,15,277	97,711
2	EXPENSES					
	(a) Finance costs	15,115	14,953	12,496	56,356	51,105
	(b) Impairment on financial instruments	9,071	6,514	7,535	19,383	19,175
	(c) Employee benefits expenses	8,530	7,458	5,899	28,798	20,599
	(d) Depreciation, amortization and impairment	355	322	264	1,106	893
	(e) Other expenses	2,008	2,116	1,602	7,259	5,772
	Total expenses	35,079	31,363	27,796	1,12,902	97,544
3	Profit / (loss) before exceptional items and tax (1-2)	1,467	(1,246)	(744)	2,375	167
4	Exceptional items	-	-	-	-	-
5	Profit / (loss) before tax (3-4)	1,467	(1,246)	(744)	2,375	167
6	Tax expense					
	(a) Current tax	699	1,751	893	3,220	3,705
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-
	Net current tax expense	699	1,751	893	3,220	3,705
	(c) Deferred tax expense / (credit)	(118)	(1,922)	(1,116)	(2,558)	(3,720)
	Total tax expense	581	(171)	(223)	662	(15)
7	Profit / (loss) for the period / year from continuing operation (5-6)	886	(1,075)	(521)	1,713	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 / (loss) for the period / year (7+10)	886	(1,075)	(521)	1,713	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	28	19	17	40	15
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(7)	(5)	(4)	(10)	(4)
	Sub-total (a)	21	14	13	30	11
	(b) (i) Items that will be reclassified to profit or loss					
	- Fair value of loans and advances and cash flow hedges through other comprehensive income	156	3,056	(2,620)	2,047	(635)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(39)	(769)	659	(515)	160
	Sub-total (b)	117	2,287	(1,961)	1,532	(475)
	Other comprehensive income / (loss) (a+b)	138	2,301	(1,948)	1,562	(464)
13	Total comprehensive income for the period / year (11+12)	1,024	1,226	(2,469)	3,275	(282)
14	Earnings per share (of Rs. 10/- each) (not annualised for interim periods)					
	(a) Basic (in INR)	1.23	(1.74)	(0.76)	2.39	0.26
	(b) Diluted (in INR)	1.16	(1.74)	(0.76)	2.25	0.24

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CIN: U65999OR1986PTC015931

Note 2

Standalone cashflow statement

(INR in Lakhs)

Particulars	For the year ended	
	31.03.2022	31.03.2021
Cash flows from operating activities		
Profit before tax	2,375	167
<i>Adjustments for:</i>		
Depreciation, amortization and impairment	1,106	893
Impairment on financial instruments	19,383	19,175
Provision for insurance claim receivable and others	272	167
Profit on sale of current investments	(314)	-
Profit on sale of property, plant and equipment	(10)	-
Net gain on derecognition of financial instruments	(15,164)	(6,363)
Share based payments to employees	33	126
Interest income	(99,144)	(90,709)
Finance cost	56,356	51,105
Operating loss before working capital changes	(35,107)	(25,439)
Movements in working capital:		
Decrease in other financial and non financial assets	2,292	319
Increase in bank balance other than cash and cash equivalents	(12,708)	(40,397)
Decrease / (increase) in trade receivables	32	10
Increase in loans	(1,19,474)	(50,569)
Increase in other financial and non financial liabilities	5,914	645
Increase in provisions	152	385
(Decrease) / increase in trade payables	64	(109)
Cash used in operations	(1,58,835)	(1,15,155)
Interest received	97,136	84,876
Finance cost paid	(52,013)	(43,734)
Income tax paid (net of refunds)	(5,346)	(2,122)
Net cash flows used in operating activities (A)	(1,19,058)	(76,135)
Cash flows from Investing activities		
Purchase of property, plant and equipment	(1,109)	(542)
Proceeds from sale of property, plant and equipment	34	-
Purchase of intangible assets	(344)	(149)
Purchase of current investments	(2,28,100)	-
Proceeds from sale of current investments	2,28,414	-
Investment in equity instruments of subsidiary	-	(500)
Net cash flows used in investing activities (B)	(1,105)	(1,191)
Cash flows from financing activities		
Proceeds from issuance of equity share capital (including securities premium)	38	7
Proceeds from debt securities	22,779	1,19,820
Repayment of debt securities	(12,312)	(12,239)
Repayment of lease liabilities	(81)	(57)
Proceeds from borrowings (other than debt securities)	3,21,344	1,55,667
Repayment of borrowings (other than debt securities)	(2,03,095)	(1,75,868)
Proceeds of subordinated liabilities	4,490	7,125
Repayment of subordinated liabilities	(3,814)	(880)
Share issue expenses	(187)	(141)
Net cash flows generated from financing activities (C)	1,29,162	93,434
Net increase in cash and cash equivalents (A+B+C)	8,999	16,108
Cash and cash equivalents at the beginning of the year	86,135	70,027
Cash and cash equivalents at the end of the year	95,134	86,135
Components of cash and cash equivalents at the end of the year		
Balances with banks:		
on current accounts	37,950	41,975
deposit with original maturity of less than three months	56,687	44,013
Cash on hand	497	147
Total cash and cash equivalents at the end of the year	95,134	86,135

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- 3 The standalone financial results of Annapurna Finance Private Limited (the 'Company') 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') 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.
- 4 The standalone financial results for the quarter and year ended March 31, 2022 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 May 27, 2022. The Statutory auditors of the Company have audited the aforesaid results.
- 5 The Company is a Non-Banking Finance Company registered with RBI as a Non Deposit taking - Systemically Important - Micro Finance Institution.
- 6 The outbreak of COVID-19 pandemic has affected several countries across the world, including India, resulting in significant volatility in financial market and significant decrease in global and Indian economy. The government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. While the situation had improved significantly and there had been an all-round recovery in economic activity, the situation will have to closely monitored till the pandemic is finally put to rest. Management will continue to closely monitor the material changes in macro-economic factors impacting the operations of the Company. 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 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 During the year ended March 31, 2022, the Company has issued compulsory convertible debentures amounting INR 150 crores and compulsory convertible preference shares amounting to INR 259 crores.
- 9 The Company has allotted 14,100 equity shares and 45,000 equity shares during the quarter and year ended March 31, 2022 respectively, pursuant to the exercise of options under the employee stock option schemes.
- 10 The Company has allotted 41,34,012 partly paid equity shares during the quarter and year ended March 31, 2022 to the senior management. The money paid by senior management is Re. 1/- per share representing Re. 0.09/- towards face value and Re. 0.91/- towards securities premium.
- 11 The Company is in the process of obtaining lender consents / waivers for certain loan covenant breaches that are existing as on March 31, 2022. The Company has performed an assessment of its liquidity position, taking into account the impact of the loan covenant breaches, current liquid funds held and expected inflows from various sources of borrowings. Based on the foregoing assessment, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.
- 12 The figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the respective financial year.
- 13 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.

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14 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 (A) (September 30, 2021)	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 (Refer Note)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year (March 31, 2022)
Personal loans	32,802	14,108	-	1,752	31,051
Corporate persons					
i) Of which MSMEs	-	-	-	-	-
ii) Others	-	-	-	-	-
Total	32,802	14,108	-	1,752	31,051

Note: Net of interest amount capitalised during the moratorium period.

15 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)

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 (A) (September 30, 2021)	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 (March 31, 2022) (Refer Note)
Personal loans	13,480		-	3,553	28,566
Corporate persons					
i) Of which MSMEs	-	-	-	-	-
ii) Others	-	-	-	-	-
Total	13,480	-	-	3,553	28,566

Note: Includes additional restructuring accounts amounting to INR 18,639.52 lakhs entered during the period from October 2021 to December 2021.

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16 RATIOS

Particulars	As at 31.03.2022	As at 31.12.2021	As at 31.03.2021
(a) Debt Equity Ratio	7.83	7.22	6.07
(b) Current ratio	1.45	1.71	1.57
(c) Long term debt to working capital	2.09	1.58	1.73
(d) Current liability ratio	0.53	0.47	0.50
(e) Total debts to total assets	0.87	0.86	0.79
(f) Gross non performing asset (Stage - 3)*	10.03%	7.96%	7.33%
(g) Net non performing asset (Stage - 3)*	2.86%	3.65%	3.04%
(h) Provision coverage ratio (PCR)	71.49%	57.24%	60.91%
(i) Capital risk adequacy ratio (CRAR)	29.78%	32.59%	27.71%
(j) Liquidity coverage ratio (LCR)	483.70%	484.00%	338.00%

* As per IRACP norms, gross non-performing asset and net non-performing asset as on March 31, 2022 is 9.80% and 2.77% respectively.

Particulars	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
(a) Net profit margin	2.42%	(3.57%)	(1.93%)	1.49%	0.19%
(b) Operating margin	NA	NA	NA	NA	NA

17 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
	31.03.2022	31.03.2021
(a) Asset Cover Ratio (listed secured debt securities)	107%	106%
(b) Asset Cover Ratio (unsecured debt)	351%	349%

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For Annapurna Finance Pvt. Ltd.

[Signature]

Director
DIN-02764187

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results
(Continued)**

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 consolidated annual financial results, 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 through a separate report on the complete set of financial statements 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 in the consolidated annual financial results made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub-paragraph (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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Other Matters

- (a) The consolidated annual financial results include the audited financial results of two subsidiaries, whose financial statements reflect the total assets (before consolidation adjustments) of Rs. 588.27 lakh as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 12.05 lakh, total net profit after tax (before consolidation adjustments) of Rs. 10.32 lakh, and net cash inflows of Rs 7.71 lakh for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on the financial statements of these entities have been furnished to us by management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors.
- (b) The consolidated annual financial statements of the Holding Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on the consolidated financial statements on 30 June 2021.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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



Sameer Mota
Partner

Membership Number: 109928
UDIN: 22109928AJSHQ5187

Bhubaneswar
27 May 2022

ANNAPURNA FINANCE PRIVATE LIMITED

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

Statement of consolidated financial results for the quarter and year ended March 31, 2022

(INR in Lakhs)

Sr. No.	Particulars	Year ended	
		31.03.2022	31.03.2021
1	INCOME		
	(a) Revenue from operations		
	Interest income	99,156	90,709
	Fees and commission income	94	271
	Net gain on fair value changes	314	-
	Net gain on assignment transactions	15,164	6,363
	Total revenue from operations	1,14,728	97,343
	(b) Other income	561	368
	Total income	1,15,289	97,711
2	EXPENSES		
	(a) Finance costs	56,356	51,105
	(b) Impairment on financial instruments	19,383	19,175
	(c) Employee benefits expenses	28,798	20,599
	(d) Depreciation, amortization and impairment	1,106	893
	(e) Other expenses	7,261	5,772
	Total expenses	1,12,904	97,544
3	Profit before exceptional items and tax (1-2)	2,385	167
4	Exceptional items	-	-
5	Profit before tax (3-4)	2,385	167
6	Tax expense		
	(a) Current tax	3,223	3,705
	(b) Short / (excess) provision for tax relating to prior years	-	-
	Net current tax expense	3,223	3,705
	(c) Deferred tax expense / (credit)	(2,557)	(3,720)
	Total tax expense	666	(15)
7	Profit for the year from continuing operation (5-6)	1,719	182
8	Profit from discontinued operations	-	-
9	Tax expense of discontinued operations	-	-
10	Profit from discontinued operations (after tax) (8-9)	-	-
11	Profit for the year (7+10)	1,719	182
12	Other Comprehensive Income		
	(a) (i) Items that will not be reclassified to profit or loss		
	- Re-measurement of the defined benefit liabilities	40	15
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(10)	(4)
	Sub-total (a)	30	11
	(b) (i) Items that will be reclassified to profit or loss		
	- Fair value of loans and advances and cash flow hedges through other comprehensive income	2,047	(635)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(515)	160
	Sub-total (b)	1,532	(475)
	Other comprehensive income / (loss) (a+b)	1,562	(464)
13	Total comprehensive income for the year (11+12)	3,281	(282)
14	Earnings per share (of Rs. 10 each)		
	Basic (in INR)	2.40	0.26
	Diluted (in INR)	2.26	0.24

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ANNAPURNA FINANCE PRIVATE LIMITED

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

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Note 2

Consolidated statement of cash flows

(INR in Lakhs)

Particulars	For the year ended	
	31.03.2022	31.03.2021
	(Audited)	(Audited)
Cash flows from operating activities		
Profit before tax	2,385	167
Adjustments for:	-	-
Depreciation, amortization and impairment	1,106	893
Impairment on financial instruments	19,383	19,175
Provision for insurance claim receivable and others	272	167
Profit on sale of current investments	(314)	-
Profit on sale of property, plant and equipment	(10)	-
Net gain on derecognition of financial instruments	(15,164)	(6,363)
Share based payments to employees	33	126
Interest income	(99,156)	(90,709)
Finance cost	56,356	51,105
Operating loss before working capital changes	(35,109)	(25,439)
Movements in working capital:		
Decrease in other financial and non financial assets	2,292	319
Increase in bank balance other than cash and cash equivalents	(12,708)	(40,397)
Decrease / (increase) in trade receivables	32	10
Increase in loans	(1,19,474)	(50,569)
Increase in other financial and non financial liabilities	5,923	645
Increase in provisions	152	385
(Decrease) / increase in trade payables	64	(109)
Cash used in operations	(1,58,828)	(1,15,155)
Interest received	97,144	84,876
Finance cost paid	(52,013)	(43,734)
Income tax paid (net of refunds)	(5,349)	(2,122)
Net cash flows used in operating activities (A)	(1,19,046)	(76,135)
Cash flows from Investing activities		
Purchase of property, plant and equipment	(1,109)	(542)
Proceeds from sale of property, plant and equipment	34	-
Purchase of intangible assets	(344)	(149)
Purchase of current investments	(2,28,100)	-
Proceeds from sale of current investments	2,28,414	-
Investment in fixed deposits with maturity of more than 3 months	(495)	-
Net cash flows used in investing activities (B)	(1,600)	(1,191)
Cash flows from financing activities		
Proceeds from issuance of equity share capital (including securities premium)	38	7
Proceeds from debt securities	22,779	1,19,820
Repayment of debt securities	(12,312)	(12,239)
Repayment of lease liabilities	(81)	(57)
Proceeds from borrowings (other than debt securities)	3,21,344	1,55,667
Repayment of borrowings (other than debt securities)	(2,03,095)	(1,75,868)
Proceeds of subordinated liabilities	4,490	7,125
Repayment of subordinated liabilities	(3,814)	(880)
Share issue expenses	(187)	(141)
Net cash flows generated from financing activities (C)	1,29,162	93,434
Net increase in cash and cash equivalents (A+B+C)	8,516	16,108
Cash and cash equivalents at the beginning of the year	86,635	70,027
Cash and cash equivalents at the end of the year	95,151	86,635
Components of cash and cash equivalents at the end of the year		
Balances with banks:		
on current accounts	37,963	42,475
deposit with original maturity of less than three months	56,687	44,013
Cash on hand	501	147
Total cash and cash equivalents at the end of the year	95,151	86,635

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ANNAPURNA FINANCE PRIVATE LIMITED

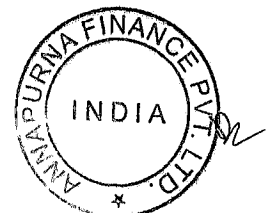
Registered Office:- Plot No. 1215/1401, Khandagiri Bari, Infront of Jaydev Vatika, Bhubaneswar - 751030
CIN: U65999OR1986PTC015931

Note 1

Consolidated balance sheet

(INR in Lakhs)

Sr.No.	Particulars	As at 31.03.2022	As at 31.03.2021
		(Audited)	(Audited)
	ASSETS		
(1)	Financial assets		
(a)	Cash and cash equivalents	95,151	86,635
(b)	Bank balance other than (a) above	95,387	82,181
(c)	Derivative financial instruments	1,355	-
(d)	Receivables		
(i)	Trade receivables	5	37
(ii)	Other receivables	-	-
(e)	Loans	4,88,816	3,86,716
(f)	Other financial assets	26,117	14,560
	Subtotal - financial assets (A)	7,06,831	5,70,129
(2)	Non-financial assets		
(a)	Current tax assets (net)	2,248	125
(b)	Deferred tax assets (net)	4,810	2,778
(c)	Property, plant and equipment	1,787	1,178
(d)	Other intangible assets	156	99
(e)	Other non-financial assets	2,165	1,198
	Subtotal - non- financial assets (B)	11,166	5,378
	Total assets (A+B)	7,17,997	5,75,507
	LIABILITIES AND EQUITY		
	LIABILITES		
(1)	Financial liabilities		
(a)	Derivative financial instruments	475	-
(b)	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	291	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	-	-
(c)	Debt securities	1,85,677	1,73,854
(d)	Borrowings (other than debt securities)	4,02,413	2,82,307
(e)	Subordinated liabilities	33,150	32,275
(f)	Other financial liabilities	14,939	9,082
	Subtotal - financial liabilities (A)	6,36,945	4,97,745
(2)	Non-financial liabilities		
(a)	Provisions	1,186	1,034
(b)	Other non-financial liabilities	543	468
	Total non- financial liabilities (B)	1,729	1,502
	Total liabilities	6,38,674	4,99,247
(3)	Equity		
(a)	Equity share capital	6,874	6,872
(b)	Instruments entirely equity in nature	300	300
(c)	Other equity	72,149	69,088
	Subtotal - Equity (C)	79,323	76,260
	Total liabilities and equity (A+B+C)	7,17,997	5,75,507



- 3 The consolidated financial results of Annapurna Finance Private Limited (the 'holding company') and its subsidiaries (collectively referred to as, the 'Group') have been prepared in accordance with and comply with in all material aspects with the Indian Accounting Standards ('IND AS') 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 from time to time (the 'SEBI Listing Regulations'), for Non-Banking Financial Companies that are required to comply with Ind AS. Any application guidance /clarification/directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued /applicable.
- 4 The consolidated financial results for the year ended March 31, 2022 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 May 27, 2022. The Statutory auditors of the Group have audited the aforesaid results.
- 5 The Group prepares the consolidated financial results on an annual basis.
- 6 The outbreak of COVID-19 pandemic has affected several countries across the world, including India, resulting in significant volatility in financial market and significant decrease in global and Indian economy. The government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. While the situation had improved significantly and there had been an all-round recovery in economic activity, the situation will have to be closely monitored till the pandemic is finally put to rest. Management will continue to closely monitor the material changes in macro-economic factors impacting the operations of the Group. The Group 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 financial results.
- 7 The Indian Parliament has approved the Code on Social Security 2020 which would impact the contribution by the Group 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 Group 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 During the year ended March 31, 2022, the holding company has issued compulsory convertible debentures amounting INR 150 crores and compulsory convertible preference shares amounting to INR 259 crores.
- 9 The holding company has allotted 45,000 equity shares during the year ended March 31, 2022, pursuant to the exercise of options under the employee stock option schemes.
- 10 The holding company has allotted 41,34,012 partly paid equity shares during the year ended March 31, 2022 to the senior management. The money paid by senior management is Re. 1/- per share representing Re. 0.09/- towards face value and Re. 0.91/- towards securities premium.
- 11 The Group 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.
- 12 The holding company is in the process of obtaining lender consents / waivers for certain loan covenant breaches that are existing as on March 31, 2022. The holding company has performed an assessment of its liquidity position, taking into account the impact of the loan covenant breaches, current liquid funds held and expected inflows from various sources of borrowings. Based on the foregoing assessment, management believes that the holding company will be able to pay its obligations as and when these become due in the foreseeable future.

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13 RATIOS

Particulars	As at	As at
	31.03.2022	31.03.2021
(a) Debt Equity Ratio	7.83	6.07
(b) Current ratio	1.45	1.57
(c) Long term debt to working capital	2.09	1.73
(d) Current liability ratio	0.53	0.50
(e) Total debts to total assets	0.87	0.79

Particulars	Year ended	
	31.03.2022	31.03.2021
(a) Net profit margin	1.49%	0.19%
(b) Operating margin	NA	NA

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For Annapurna Finance Pvt. Ltd.

Dilip Kumar

Director