

# 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 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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, 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 2023.

#### 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.

#### 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 the 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 and other accounting principles generally accepted in India and in compliance with Regulation 52



**Independent Auditor's Report (Continued)****Annapurna Finance Private Limited**

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, the Management and the 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 are 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 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 annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the 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



**Independent Auditor's Report (Continued)**  
**Annapurna Finance Private Limited**

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 Matter**

- a. The standalone annual financial results include the results for the quarter ended 31 March 2023 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.

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

*Chartered Accountants*

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

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**Sameer Mota**

*Partner*

Membership No.: 109928

UDIN:23109928BGYAYE3340

Bhubaneswar

26 May 2023



**ANNAPURNA FINANCE PRIVATE LIMITED**

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

**Statement of standalone financial results for the quarter and year ended March 31, 2023**

Sr. No.	Particulars	(INR in Lakhs except for earnings per share data)				
		Quarter ended			Year ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Audited) (Refer note 8)	(Unaudited)	(Audited) (Refer note 8)	(Audited)	(Audited)
1	<b>INCOME</b>					
	(a) Revenue from operations					
	Interest income	27,570	31,395	26,533	1,20,896	99,144
	Fees and commission income	1	1	12	24	94
	Net gain on fair value changes	490	376	169	1,111	314
	Net gain on assignment transactions	14,831	8,572	9,745	33,747	15,164
	<b>Total revenue from operations</b>	<b>42,892</b>	<b>40,344</b>	<b>36,459</b>	<b>1,55,778</b>	<b>1,14,716</b>
	(b) Other income	207	338	87	1,179	561
	<b>Total income</b>	<b>43,099</b>	<b>40,682</b>	<b>36,546</b>	<b>1,56,957</b>	<b>1,15,277</b>
2	<b>EXPENSES</b>					
	(a) Finance costs	17,982	17,657	15,115	66,531	56,356
	(b) Impairment on financial instruments	12,400	8,757	9,071	36,184	19,383
	(c) Employee benefit expenses	10,172	10,825	8,530	39,062	28,798
	(d) Depreciation, amortization and impairment	295	364	355	1,244	1,106
	(e) Other expenses	1,990	2,716	2,008	9,518	7,259
	<b>Total expenses</b>	<b>42,839</b>	<b>40,319</b>	<b>35,079</b>	<b>1,52,539</b>	<b>1,12,902</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>260</b>	<b>363</b>	<b>1,467</b>	<b>4,418</b>	<b>2,375</b>
4	<b>Exceptional items</b>	-	-	-	-	-
5	<b>Profit before tax (3-4)</b>	<b>260</b>	<b>363</b>	<b>1,467</b>	<b>4,418</b>	<b>2,375</b>
6	<b>Tax expense</b>					
	(a) Current tax	-	-	699	-	3,220
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-
	<b>Net current tax expense</b>	<b>-</b>	<b>-</b>	<b>699</b>	<b>-</b>	<b>3,220</b>
	(c) Deferred tax expenses/ (credit)	335	77	(118)	1,146	(2,558)
	<b>Total tax expense</b>	<b>335</b>	<b>77</b>	<b>581</b>	<b>1,146</b>	<b>662</b>
7	<b>(Loss) / profit for the period / year from continuing operation (5-6)</b>	<b>(75)</b>	<b>286</b>	<b>886</b>	<b>3,272</b>	<b>1,713</b>
8	<b>(Loss) / profit from discontinued operations</b>	-	-	-	-	-
9	<b>Tax expense of discontinued operations</b>	-	-	-	-	-
10	<b>(Loss) / profit from discontinued operations (after tax) (8-9)</b>	-	-	-	-	-
11	<b>(Loss) / profit for the period / year (7+10)</b>	<b>(75)</b>	<b>286</b>	<b>886</b>	<b>3,272</b>	<b>1,713</b>
12	<b>Other Comprehensive Income (OCI)</b>					
	(a) (i) Items that will not be reclassified to profit or loss					
	- Re-measurement of the defined benefit liabilities	28	3	28	60	40
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(7)	(1)	(7)	(15)	(10)
	<b>Sub-total (a)</b>	<b>21</b>	<b>2</b>	<b>21</b>	<b>45</b>	<b>30</b>
	(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	1,641	4,246	156	3,264	2,047
	(ii) Income tax relating to items that will be reclassified to profit or loss	(413)	(1,069)	(39)	(821)	(515)
	<b>Sub-total (b)</b>	<b>1,228</b>	<b>3,177</b>	<b>117</b>	<b>2,443</b>	<b>1,532</b>
	<b>Other comprehensive income / (loss) (a+b)</b>	<b>1,249</b>	<b>3,179</b>	<b>138</b>	<b>2,488</b>	<b>1,562</b>
13	<b>Total comprehensive income for the period / year (11+12)</b>	<b>1,174</b>	<b>3,465</b>	<b>1,024</b>	<b>5,760</b>	<b>3,275</b>
14	<b>Earnings per share (of Rs. 10/- each) (not annualised for interim periods)</b>					
	(a) Basic (in INR)	(0.08)	0.31	1.23	3.93	2.39
	(b) Diluted (in INR)	(0.08)	0.25	1.16	3.34	2.25



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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  
Standalone balance sheet

		(INR in Lakhs)	
Sr. No.	Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
	<b>ASSETS</b>		
(1)	<b>Financial assets</b>		
(a)	Cash and cash equivalents	75,679	95,134
(b)	Bank balance other than (a) above	84,034	94,889
(c)	Derivative financial instruments	2,187	1,355
(d)	Receivables		
(i)	Trade receivables	-	5
(ii)	Other receivables	-	-
(e)	Loans	6,32,625	4,96,682
(f)	Investments	10,049	500
(g)	Other financial assets	39,800	18,327
	<b>Subtotal - Financial assets (A)</b>	<b>8,44,374</b>	<b>7,06,892</b>
(2)	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	4,007	2,251
(b)	Deferred tax assets (net)	2,828	4,810
(c)	Property, plant and equipment	2,386	1,787
(d)	Intangible assets	422	156
(e)	Other non-financial assets	3,768	2,165
	<b>Subtotal - Non- financial assets (B)</b>	<b>13,411</b>	<b>11,169</b>
	<b>Total assets (A+B)</b>	<b>8,57,785</b>	<b>7,18,061</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>Liabilities</b>		
(1)	<b>Financial liabilities</b>		
(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	1,836	1,398
(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	1,53,008	1,85,677
(d)	Borrowings (other than debt securities)	5,19,132	4,02,413
(e)	Subordinated liabilities	32,714	33,150
(f)	Other financial liabilities	28,217	13,830
	<b>Subtotal - financial liabilities (A)</b>	<b>7,34,907</b>	<b>6,36,943</b>
(2)	<b>Non-financial liabilities</b>		
(a)	Provisions	1,323	1,186
(b)	Other non-financial liabilities	724	543
	<b>Subtotal - non-financial liabilities (B)</b>	<b>2,047</b>	<b>1,729</b>
	<b>Total liabilities (A+B)</b>	<b>7,36,954</b>	<b>6,38,672</b>
(3)	<b>Equity</b>		
(a)	Equity share capital	8,813	6,880
(b)	Instruments entirely equity in nature	300	300
(c)	Other equity	1,11,718	72,209
	<b>Subtotal - equity (C)</b>	<b>1,20,831</b>	<b>79,389</b>
	<b>Total liabilities and equity (A+B+C)</b>	<b>8,57,785</b>	<b>7,18,061</b>



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Note 2

**Standalone statement of cash flows for the year ended March 31, 2023**

Particulars	(INR in Lakhs)	
	For the year ended	
	March 31, 2023	March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before tax	4,418	2,375
Adjustments for:		
Depreciation, amortization and impairment	1,244	1,106
Impairment on financial instruments	36,184	19,383
Provision for insurance claim receivable and others	-	272
Profit on sale of investments	(1,111)	(314)
Profit on sale of property, plant and equipment	-	(10)
Gain on derecognition of financial instruments	(33,747)	(15,164)
Share based payments to employees	10	33
Interest income	(1,14,382)	(99,144)
Finance cost	66,475	56,356
<b>Operating (loss) before working capital changes</b>	<b>(40,909)</b>	<b>(35,107)</b>
<b>Movements in working capital:</b>		
Decrease in other financial and non financial assets	10,670	2,292
Increase/(Decrease) in bank balance other than cash and cash equivalents	10,855	(12,708)
Decrease in trade receivables	5	32
Increase in loans	(1,81,975)	(1,19,474)
Increase in other financial and non financial liabilities	17,245	5,914
Increase in provisions	137	152
Increase in trade payables	438	64
<b>Cash used in operations</b>	<b>(1,83,534)</b>	<b>(1,58,835)</b>
Interest received	1,15,793	97,136
Finance cost paid	(67,301)	(52,013)
Income tax paid (net of refunds)	(1,756)	(5,346)
<b>Net cash flows used in operating activities (A)</b>	<b>(1,36,798)</b>	<b>(1,19,058)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,282)	(1,109)
Proceeds from sale of property, plant and equipment	-	34
Purchase of intangible assets	(424)	(344)
Purchase of investments	(3,80,300)	(2,28,100)
Proceeds from sale of investments	3,81,411	2,28,414
<b>Net cash flows used in investing activities (B)</b>	<b>(595)</b>	<b>(1,105)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	11,648	38
Proceeds from debt securities	33,563	22,779
Repayment of debt securities	(42,567)	(12,312)
Principle payment of lease liability	(194)	(81)
Proceeds from borrowings (other than debt securities)	4,09,781	3,21,344
Repayment of borrowings (other than debt securities)	(2,93,707)	(2,03,095)
Proceeds of subordinated liabilities	2,000	4,490
Repayment of subordinated liabilities	(2,500)	(3,814)
Share issue expenses	(86)	(187)
<b>Net cash flows generated from financing activities (C)</b>	<b>1,17,938</b>	<b>1,29,162</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(19,455)</b>	<b>8,999</b>
Cash and cash equivalents at the beginning of the year	95,134	86,135
<b>Cash and cash equivalents at the end of the year</b>	<b>75,679</b>	<b>95,134</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
<b>Balances with banks:</b>		
on current accounts	48,355	37,950
deposit with original maturity of less than three months	27,102	56,687
Cash on hand	222	497
<b>Total cash and cash equivalents at the end of the year</b>	<b>75,679</b>	<b>95,134</b>



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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 Company is a Non-Banking Finance Company registered with RBI as a Non Deposit taking - Systemically Important - Micro Finance Institution.
- 5 The above standalone financial results for the quarter and year ended March 31, 2023 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 26, 2023. The statutory auditors of the Company have audited the aforesaid results.
- 6 On June 23, 2022, the Company had issued compulsory convertible preference shares (CCPS) amounting to INR 117.30 crores. On September 28, 2022, the Company has converted 7,820,000 and 19,418,612 CCPS into 59,70,985 and 13,351,310 Equity Shares, respectively.
- 7 The Company has breached covenants of 18 loan facilities/ debentures with a carrying amount of INR 84,835 lakhs as at March 31, 2023. These loan facilities/ debentures are repayable in tranches within 7 years. However, these loan facilities/ debentures contained covenants like the Company's GNPA, NNPA, PAR ratio, etc. at the defined intervals cannot exceed threshold mentioned in each of the agreements otherwise the lenders / debenture holders have right to recall the loan facilities/ debentures.
- The Company exceeded GNPA, NNPA, PAR ratio, etc. as at March 31, 2023. However, management obtained waivers for 16 loan facilities/ debentures. Accordingly, loan facilities/ debentures with a carrying amount of INR 64,835 lakh were not payable on demand as at March 31, 2023. 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.
- 8 The Standalone financial results includes the results for the quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended of the financial year which were subject to limited review by the statutory auditors of the Company.
- 9 Pursuant to the exercise of options under the employee stock option schemes, the Company has allotted 6,000 equity shares and 10,400 equity shares during the quarter and year ended March 31, 2023 respectively.
- 10 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.
- 11 The Secured Listed Non-Convertible Debentures of the Company are fully secured by way of a first ranking, exclusive and continuing charge on identified receivables created pursuant to the deed of hypothecation as identified by the Company except for three debentures where additional pari-passu charge has been created by way of mortgage of immovable property. The minimum security of 100% for the Secured Listed Non-Convertible Debentures outstanding has been maintained at all times as per the terms of Term Sheet/ Offer document/Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount thereon.
- 12 The Company, being NBFC - MFI needs to maintain not less than 75% of its total assets in the nature of "microfinance loans" as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 as per the para 3(xx) of the Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated as on December 29, 2022. As at March 31, 2023, the Company's qualifying assets (i.e. microfinance loans to total assets) was 68.26%. RBI vide its letter dated May 18, 2023 has provided a timeline till September 30, 2023 to the Company to fulfil the minimum qualifying assets criteria. The Company is confident of complying with the minimum qualifying assets criteria by September 30, 2023 and will take necessary steps (i.e. sell down or lower origination of secured MSME loans, reducing bank balance by availing cash credit facility, etc.) along with disbursement of "microfinance loans" in the normal course of business to comply with minimum qualifying assets criteria.



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- 13 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.

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, 2022)	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, 2023)
Personal loans	9,847	722	-	8,186	940
Corporate persons	-	-	-	-	-
(i) Of which MSMEs	-	-	-	-	-
(ii) Others	-	-	-	-	-
<b>Total</b>	<b>9,847</b>	<b>722</b>	<b>-</b>	<b>8,186</b>	<b>940</b>

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

- 14 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.

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, 2022)	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, 2023) (Refer Note)
Personal loans	18,124	9,091	3,359	3,742	1,932
Corporate persons	-	-	-	-	-
(i) Of which MSMEs	-	-	-	-	-
(ii) Others	-	-	-	-	-
<b>Total</b>	<b>18,124</b>	<b>9,091</b>	<b>3,359</b>	<b>3,742</b>	<b>1,932</b>

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

- 15 The details of stressed loans transferred to ARC and investment made in security receipts (SRs) during the year ended March 31, 2023.

Sl. No.	Particulars	For the quarter and year ended March 31, 2023	For the quarter and year ended March 31, 2022
i)	No. of accounts	1,66,593	-
ii)	Aggregate principal outstanding of loans transferred	30,747	-
iii)	Weighted average residual tenor of the loans transferred (in months)	9	-
iv)	Net book value of loans transferred (at the time of transfer)	15,747	-
v)	Aggregate consideration	15,000	-
vi)	Additional consideration realised in respect of accounts transferred in earlier years	-	-
vii)	Excess provision reversed to the profit and loss account on sale of stressed loans	-	-
viii)	Investment in SRs *	13,043	-



The Company has sold loans to an Asset Reconstruction Company (ARC) on March 28, 2023 and SRs were received as considerations for the transfer of loans. The sale of loans to ARC did not meet the derecognition requirement as per Ind AS 109. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement / classification approach and ECL has been recognized in a similar manner as applicable to the underlying loans. As at March 31, 2023, gross carrying amount of SR is Rs. 287.90 Crore, impairment loss allowance on SR is Rs. 192.41 Crore and net carrying amount of SR is Rs. 95.49 crore.

\* SRs currently not rated. SRs will be rated within the timelines as per RBI guidelines.

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16 Ratios

Particulars	As at March 31, 2023	As at December 31, 2022	As at March 31, 2022
(a) Debt Equity Ratio	5.83	5.47	7.83
(b) Debt service coverage ratio	NA	NA	NA
(c) Interest service coverage ratio	NA	NA	NA
(d) Outstanding redeemable preference shares (quantity and value)	NIL	NIL	NIL
(e) Net worth (Rs in Lakhs) (Total equity)	1,20,831	1,19,649	79,389
(f) Current ratio	NA	NA	NA
(g) Long term debt to working capital	NA	NA	NA
(h) Bad debts to Account receivable ratio	NA	NA	NA
(i) Current liability ratio	NA	NA	NA
(j) Total debts to total assets	0.82	0.82	0.87
(k) Debtors turnover	NA	NA	NA
(l) Inventory turnover	NA	NA	NA
(m) Gross stage III (GNPA) loans*	3.84%	6.88%	10.03%
(n) Net stage III (NNPA) loans*	1.35%	2.59%	2.86%
(o) Provision coverage ratio (PCR)	65.78%	64.39%	71.49%
(p) Capital risk adequacy ratio (CRAR)	24.66%	26.48%	29.78%
(q) Liquidity coverage ratio (LCR)	359.05%	329.91%	483.70%
(r) Capital redemption reserve	NA	NA	NA
(s) Debenture redemption reserve	NA	NA	NA

\* Gross and net stage III loans do not include accrued interest of INR 8,893 lakhs as at March 31, 2023 (INR 7,866 lakhs as at March 31, 2022).

Note: Certain ratios/line items marked with remark "NA" are not applicable since the Company is a non banking financial company registered with RBI.

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
(a) Net profit margin	(0.17%)	0.70%	2.42%	2.09%	1.49%
(b) Operating margin	NA	NA	NA	NA	NA

For Annapurna Finance Private Limited

Date : May 26, 2023  
Place: Bhubaneswar

*Am*



*Dibyajyoti Pattanaik*

Dibyajyoti Pattanaik  
Director  
DIN: 02764187

# B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,  
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## Independent Auditor's Report

### To the Board of Directors of Annapurna Finance Private Limited Report on the audit of the Consolidated Annual Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of Annapurna Finance Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- a. include the annual financial results of the following entities
  1. Annapurna SME Finance Private Limited; and
  2. Annapurna Employee Welfare Trust
- b. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

#### 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 Consolidated Annual Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of reports of the other auditors referred to in sub paragraph no. a of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

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

These consolidated annual financial results have been prepared on the basis of the consolidated annual

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**Independent Auditor's Report (Continued)****Annapurna Finance Private Limited**

financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The respective Management and Board of Directors of the companies / Trustees of the Trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company / Trust 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 consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies / Trustee of the Trust included in the Group are responsible for assessing the ability of each company / Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / Trustees of the Trust either intends to liquidate the company / Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies / Trustees of the Trust included in the Group is responsible for overseeing the financial reporting process of each company / Trust.

#### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the 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



## Independent Auditor's Report (Continued)

### Annapurna Finance Private Limited

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 statements 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 statements of such entity included in the consolidated annual financial results of which we are the independent auditor. 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 no. of the "Other Matters/Other Matter" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### Other Matters

- a. The consolidated annual financial results include the audited financial results of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 534.64 Lakh as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 26.97 Lakh and total net profit after tax (before consolidation adjustments) of Rs. 18.71 Lakh and net cash inflows (before consolidation adjustments) of Rs. 19.75 Lakh for the year ended on that date, as considered in the consolidated annual financial results, which has been audited by its independent auditor. The independent auditor's report on financial statements of this entity has been furnished to us by the management.  
  
Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.  
  
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 report of the other auditor.
- b. The consolidated annual financial results include the results for the quarter ended 31 March 2023 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

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B S R & Co. LLP

**Independent Auditor's Report (Continued)**

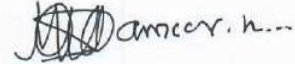
**Annapurna Finance Private Limited**

were subject to limited review by us.

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

*Chartered Accountants*

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



**Sameer Mota**

*Partner*

Bhubaneswar

26 May 2023

Membership No.: 109928

UDIN:23109928BGYAYD3552

**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, 2023**

(INR in Lakhs except for earnings per share data)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
	(Audited)	(Audited)
<b>INCOME</b>		
(a) Revenue from operations		
(i) Interest income	1,20,923	99,156
(ii) Fees and commission income	24	94
(iii) Net gain on fair value changes	1,111	314
(iv) Net gain on assignment transactions	33,747	15,164
<b>(I) Total revenue from operations</b>	<b>1,55,805</b>	<b>1,14,728</b>
(II) Other income	1,179	561
<b>(III) Total income (I + II)</b>	<b>1,56,984</b>	<b>1,15,289</b>
<b>EXPENSES</b>		
Finance costs	66,531	56,356
Impairment of financial instruments	36,184	19,383
Employee benefits expenses	39,062	28,798
Depreciation, amortisation and impairment	1,244	1,106
Other expenses	9,519	7,261
<b>(IV) Total expenses</b>	<b>1,52,540</b>	<b>1,12,904</b>
<b>(V) Profit before tax (III-IV)</b>	<b>4,444</b>	<b>2,385</b>
(VI) Tax expense:		
Current tax	7	3,223
Deferred tax expenses/(credit)	1,146	(2,557)
<b>(VII) Profit for the year (V-VI)</b>	<b>3,291</b>	<b>1,719</b>
<b>(VIII) Other Comprehensive Income (OCI)</b>		
<b>A Items that will not be reclassified to profit or loss</b>		
Remeasurement gain/(loss) on defined benefit plan	60	40
Income tax relating to items that will not be reclassified to profit or loss	(15)	(10)
<b>Subtotal (A)</b>	<b>45</b>	<b>30</b>
<b>B Items that will be reclassified to profit or loss</b>		
Net change in fair value of loans measured at fair value through other comprehensive income	3,264	2,047
Income tax relating to items that will be reclassified to profit or loss	(821)	(515)
<b>Subtotal (B)</b>	<b>2,443</b>	<b>1,532</b>
<b>Other Comprehensive Income (A+B)</b>	<b>2,488</b>	<b>1,562</b>
<b>(IX) Total comprehensive income for the year (Comprising profit/retained earnings) and Other Comprehensive Income for the year (VII)+(VIII)</b>	<b>5,779</b>	<b>3,281</b>
<b>(X) Earnings per equity share (face value of ₹10 each)</b>		
Basic (Rs.)	3.96	2.40
Diluted (Rs.)	3.36	2.26



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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 except for earnings per share data)		
Particulars	As at March 31, 2023	As at March 31, 2022
	(Audited)	(Audited)
<b>ASSETS</b>		
(1) <b>Financial assets</b>		
(a) Cash and cash equivalents	75,710	95,151
(b) Bank balance other than (a) above	84,540	95,387
(c) Derivative financial instruments	2,187	1,355
(d) Receivables		
(i) Trade receivables	-	5
(ii) Other receivables	-	-
(e) Loans	6,32,625	4,96,682
(f) Investments	9,549	-
(f) Other financial assets	39,705	18,251
<b>Subtotal - Financial assets (A)</b>	<b>8,44,316</b>	<b>7,06,831</b>
(2) <b>Non-financial assets</b>		
(a) Current tax assets (net)	4,003	2,248
(b) Deferred tax assets (net)	2,822	4,810
(c) Property, plant and equipment	2,386	1,787
(d) Other intangible assets	422	156
(e) Other non-financial assets	3,769	2,165
<b>Subtotal - Non- financial assets (B)</b>	<b>13,402</b>	<b>11,166</b>
<b>Total assets (A+B)</b>	<b>8,57,718</b>	<b>7,17,997</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
(1) <b>Financial liabilities</b>		
(a) Derivative financial instruments	-	475
(b) Payables		
(I) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,836	1,397
(II) Other Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) Debt securities	1,53,008	1,85,677
(d) Borrowings (other than debt securities)	5,19,132	4,02,413
(e) Subordinated liabilities	32,714	33,150
(f) Other financial liabilities	28,217	13,833
<b>Subtotal - Financial liabilities (A)</b>	<b>7,34,907</b>	<b>6,36,945</b>
(2) <b>Non-financial liabilities</b>		
(b) Provisions	1,323	1,186
(C) Other non-financial liabilities	724	543
<b>Total non- financial liabilities (B)</b>	<b>2,047</b>	<b>1,729</b>
<b>Total liabilities (A+B)</b>	<b>7,36,954</b>	<b>6,38,674</b>
(3) <b>Equity</b>		
(a) Equity share capital	8,806	6,874
(b) Instruments entirely equity in nature	300	300
(c) Other equity	1,11,658	72,149
<b>Subtotal - Equity (C)</b>	<b>1,20,764</b>	<b>79,323</b>
<b>Total liabilities and equity (A+B+C)</b>	<b>8,57,718</b>	<b>7,17,997</b>



**ANNAPURNA FINANCE PRIVATE LIMITED**

Registered Office:- Plot No. 121/5/1401, Khandagiri Bari, Infront of Jaydev Vatika, Bhubaneswar - 751030  
CIN: U65999OR1986PTC015931

Note 2

Statement of consolidated cash flows for the year ended March 31, 2023

(INR in Lakhs except for earnings per share data)

Sr. No.	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
		(Audited)	(Audited)
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	4,444	2,385
	Adjustments for:		
	Depreciation, amortisation and impairment expenses	1,244	1,106
	Impairment of financial instruments	36,183	19,383
	Provision for insurance claim receivable and others	0	272
	Profit on sale of current investments	(1,111)	(314)
	Profit on sale of property, plant & equipment	-	(10)
	Gain on derecognition of financial instruments	(33,747)	(15,164)
	Share based payments to employees	10	33
	Interest income	(1,14,400)	(99,156)
	Finance cost	66,474	56,356
	<b>Operating profit before working capital changes</b>	<b>(40,912)</b>	<b>(35,108)</b>
	<b>Changes in working capital:</b>		
	<i>Adjustments for (increase) / decrease in operating assets:</i>		
	Decrease in other financial and non financial assets	10,650	2,292
	Bank balance other than cash and cash equivalents (net)	10,855	(12,708)
	Derivative financial instruments		
	Decrease / (increase) in trade receivables	5	32
	Loans	(1,81,975)	(1,19,474)
	<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
	Derivative financial liabilities		
	Trade payables	438	64
	Other financial and non financial liabilities	17,269	5,924
	Provisions	137	152
	<b>Cash used in operations</b>	<b>(1,83,533)</b>	<b>(1,58,826)</b>
	Interest income received	1,13,793	97,144
	Finance cost paid	(67,301)	(52,013)
	Income tax paid (net of refunds)	(1,759)	(5,349)
	<b>Net cash flows used in operating activities (A)</b>	<b>(1,36,799)</b>	<b>(1,19,044)</b>
<b>B.</b>	<b>Cash flow from Investing activities</b>		
	Purchase of property, plant and equipment	(1,282)	(1,109)
	Proceeds from sale of property, plant and equipment	-	34
	Purchase of Intangible assets	(424)	(344)
	Purchase of current investments	(3,80,300)	(2,28,100)
	Proceeds on sale of current investments	3,81,929	2,28,414
	Investment in equity instruments of subsidiary	(502)	(495)
	<b>Net cash flows used in investing activities (B)</b>	<b>(579)</b>	<b>(1,600)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issuance of equity share capital (including premium)	11,648	38
	Proceeds from debt securities	33,563	22,779
	Repayment of debt securities	(42,567)	(12,312)
	Repayment of lease liabilities	(194)	(81)
	Proceeds from Borrowings (other than debt securities)	4,09,781	3,21,344
	Repayment of Borrowings (other than debt securities)	(2,93,707)	(2,03,095)
	Proceeds of Subordinated liabilities	2,000	4,490
	Repayment of Subordinated liabilities	(2,500)	(3,814)
	Share issue expenses	(87)	(187)
	<b>Net cash flows generated from financing activities (C)</b>	<b>1,17,937</b>	<b>1,29,162</b>
	<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(19,441)</b>	<b>8,516</b>
	Cash and cash equivalents at the beginning of the year	95,151	86,635
	<b>Cash and cash equivalents at the end of the year</b>	<b>75,710</b>	<b>95,151</b>
	<b>Components of cash and cash equivalents at the end of the year</b>		
	Balances with banks:		
	on current accounts	48,386	37,963
	deposit with original maturity of less than three months	27,102	56,687
	Cash on hand	222	501
	<b>Total cash and cash equivalents at the end of the year</b>	<b>75,710</b>	<b>95,151</b>





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 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 from time to time (the 'SEBI Listing Regulations').

4 The above consolidated financial results for the year ended March 31, 2023 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 26, 2023. The statutory auditors of the Holding Company have audited the aforesaid results.

5 On June 23, 2022, the Holding Company had issued compulsory convertible preference shares (CCPS) amounting to INR 117.30 crores. On September 28, 2022, the Company has converted 7,820,000 and 19,418,612 CCPS into 59,70,985 and 13,351,310 Equity Shares, respectively.

6 The Holding Company has breached covenants of 18 loan facilities/ debentures with a carrying amount of INR 84,835 lakhs as at March 31, 2023. These loan facilities/ debentures are repayable in tranches within 7 years. However, these loan facilities/ debentures contained covenants like the Holding Company's GNPA, NNPA, PAR ratio, etc. at the defined intervals cannot exceed threshold mentioned in each of the agreements otherwise the lenders/ debenture holders have right to recall the loan facilities/ debentures.

The Holding Company exceeded GNPA, NNPA, PAR ratio, etc. as at March 31, 2023. However, management obtained waivers for 16 loan facilities/ debentures. Accordingly, loan facilities/ debentures with a carrying amount of INR 64,835 lakhs were not payable on demand as at March 31, 2023. The Group 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 of the Holding Company believes that the Holding Company will be able to pay its obligations as and when these become due in the foreseeable future.

7 Pursuant to the exercise of options under the employee stock option schemes, Holding Company has allotted 10,400 equity shares during the year ended March 31, 2023.

8 The Secured Listed Non-Convertible Debentures of the Holding Company are fully secured by way of a first ranking, exclusive and continuing charge on identified receivables created pursuant to the deed of hypothecation as identified by the Holding Company except for three debentures where additional pari-passu charge has been created by way of mortgage of immovable property. The minimum security of 100% for the Secured Listed Non-Convertible Debentures outstanding has been maintained at all times as per the terms of Term Sheet/ Offer document/Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount thereon.

9 The Holding Company, being NBFC - MFI needs to maintain not less than 75% of its total assets in the nature of "microfinance loans" as defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 as per the para 3(xx) of the Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated as on December 29, 2022. As at March 31, 2023, the Holding Company's qualifying assets (i.e. microfinance loans to total assets) was 68.26%. RBI vide its letter dated May 18, 2023 has provided a timeline till September 30, 2023 to the Company to fulfil the minimum qualifying assets criteria. The Company is confident of complying with the minimum qualifying assets criteria by September 30, 2023 and will take necessary steps (i.e. sell down or lower origination of secured MSME loans, reducing bank balance by availing cash credit facility, etc.) along with disbursement of "microfinance loans" in the normal course of business to comply with minimum qualifying assets criteria.

10 The details of stressed loans transferred to ARC and investment made in security receipts (SRs) during the year ended March 31, 2023.

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
i)	No. of accounts	1,66,593	-
ii)	Aggregate principal outstanding of loans transferred	30,747	-
iii)	Weighted average residual tenor of the loans transferred (in months)	9	-
iv)	Net book value of loans transferred (at the time of transfer)	15,747	-
v)	Aggregate consideration	15,000	-
vi)	Additional consideration realised in respect of accounts transferred in earlier years	-	-
vii)	Excess provision reversed to the profit and loss account on sale of stressed loans	-	-
viii)	Investment in SRs *	13,043	-

The Holding Company has sold loans to an Asset Reconstruction Company (ARC) on March 28, 2023 and SRs were received as considerations for the transfer of loans. The sale of loans to ARC did not meet the derecognition requirement as per Ind AS 109. However, as the legal form of the asset has changed from loans to investments, it is accounted under investments. SRs have followed the same measurement / classification approach and ECL has been recognized in a similar manner as applicable to the underlying loans. As at March 31, 2023, gross carrying amount of SR is Rs. 287.90 Crore, impairment loss allowance on SR is Rs. 192.41 Crore and net carrying amount of SR is Rs. 95.49 crore.

\* SRs currently not rated. SRs will be rated within the timelines as per RBI guidelines.

11 The Group prepares the consolidated financial results on an annual basis.

12 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.



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### 13 Ratios

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Debt Equity Ratio	5.84	7.83
(b) Debt service coverage ratio	NA	NA
(c) Interest service coverage ratio	NA	NA
(d) Outstanding redeemable preference shares (quantity and value)	-	-
(e) Debenture redemption reserve	NA	NA
(f) Net worth (Rs in Lakhs) (Total equity)	1,20,764	79,323
(g) Current ratio	NA	NA
(h) Long term debt to working capital	NA	NA
(i) Bad debts to Account receivable ratio	NA	NA
(j) Current liability ratio	NA	NA
(k) Total debts to total assets	0.82	0.87
(l) Debtors turnover	NA	NA
(m) Inventory turnover	NA	NA
(n) Gross stage III/GNPA - Loans *	3.84%	10.03%
(o) Net stage III/NNPA - Loans *	1.35%	2.86%
(p) Provision coverage ratio (PCR)	65.78%	71.49%
(q) Capital risk adequacy ratio (CRAR)	24.65%	29.78%
(r) Liquidity coverage ratio (LCR)	359.05%	483.70%
(s) Capital redemption reserve	NA	NA
(t) Debenture redemption reserve	NA	NA

\* Gross and net stage III loans do not include accrued interest of INR 88,93 lakhs as at March 31, 2023 (INR 78,66 lakhs as at March 31, 2022)

Note: Certain ratios/line items marked with remark "NA" are not applicable since the Holding Company is a non banking financial company registered with RBI.

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Net profit margin	2.10%	1.49%
(b) Operating margin	NA	NA

For Annapurna Finance Private Limited



Date : May 26, 2023  
Place: Bhubaneswar

*Dibyajyoti Pattanaik*  
Director  
Dibyajyoti Pattanaik  
DIN: 02764187