

# B S R & Co. LLP

Chartered Accountants

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**Limited Review Report on unaudited standalone financial results of Annapurna Finance Private Limited for the quarter ended 30 September 2023 and year-to-date standalone financial results for the period from 1 April 2023 to 30 September 2023 pursuant to Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended**

## **To the Board of Directors of Annapurna Finance Private Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Annapurna Finance Private Limited (hereinafter referred to as the “Company”) for the quarter ended 30 September 2023 and year-to-date standalone financial results for the period from 1 April 2023 to 30 September 2023 (the “Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”), as prescribed in Securities and Exchange Board of India (“SEBI”) operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, as prescribed in SEBI operational circular SEBI/HO/DDHS/P/CIR/2021/613

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**B S R & Co. LLP**

**Limited Review Report (*Continued*)**

**Annapurna Finance Private Limited**

dated 10 August 2021, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters to the extent applicable.

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

*Chartered Accountants*

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

 *Sameer Mota*

**Sameer Mota**

*Partner*

Membership No.: 109928

UDIN: 23109928BGYBFY3554

Varanasi

8 November 2023



**Statement of Standalone Financial Results for the Quarter and Half year ended September 30, 2023**

Sr. No.	Particulars	(INR in Lakhs except for earnings per share data)					
		Quarter ended			Half year ended		Year ended
		September 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1	<b>INCOME</b>						
	(a) Revenue from operations						
	Interest income	41,843	39,180	31,799	81,023	61,932	120,896
	Fees and commission income	-	1	7	1	22	24
	Net gain on fair value changes	366	515	64	881	245	1,111
	Net gain on assignment transactions	6,033	8,714	8,260	14,747	10,345	33,747
	<b>Total revenue from operations</b>	<b>48,242</b>	<b>48,410</b>	<b>40,130</b>	<b>96,652</b>	<b>72,544</b>	<b>155,778</b>
	(b) Other income	282	252	410	534	633	1,179
	<b>Total income</b>	<b>48,524</b>	<b>48,662</b>	<b>40,540</b>	<b>97,186</b>	<b>73,177</b>	<b>156,957</b>
2	<b>EXPENSES</b>						
	(a) Finance costs	20,202	19,642	15,436	39,844	30,891	66,531
	(b) Impairment on financial instruments	6,877	6,049	9,934	12,926	15,027	36,184
	(c) Employee benefits expenses	12,886	11,530	9,594	24,416	18,065	39,062
	(d) Depreciation and amortization	391	320	331	711	586	1,244
	(e) Other expenses	2,839	2,513	2,718	5,352	4,812	9,518
	<b>Total expenses</b>	<b>43,195</b>	<b>40,054</b>	<b>38,013</b>	<b>83,249</b>	<b>69,381</b>	<b>152,539</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>5,329</b>	<b>8,608</b>	<b>2,527</b>	<b>13,937</b>	<b>3,796</b>	<b>4,418</b>
4	<b>Exceptional items</b>	-	-	-	-	-	-
5	<b>Profit before tax (3-4)</b>	<b>5,329</b>	<b>8,608</b>	<b>2,527</b>	<b>13,937</b>	<b>3,796</b>	<b>4,418</b>
6	<b>Tax expense</b>						
	(a) Current tax	-	-	(413)	-	-	-
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-	-
	<b>Net current tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	(c) Deferred tax charge	1,355	2,188	452	3,543	734	1,146
	<b>Total tax expense</b>	<b>1,355</b>	<b>2,188</b>	<b>452</b>	<b>3,543</b>	<b>734</b>	<b>1,146</b>
7	<b>Profit for the period / year from continuing operation (5-6)</b>	<b>3,974</b>	<b>6,420</b>	<b>2,075</b>	<b>10,394</b>	<b>3,062</b>	<b>3,272</b>
8	Profit / (loss) from discontinued operations	-	-	-	-	-	-
9	Tax expense of discontinued operations	-	-	-	-	-	-
10	<b>Profit / (loss) from discontinued operations (after tax) (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11	<b>Profit for the period / year (7+10)</b>	<b>3,974</b>	<b>6,420</b>	<b>2,075</b>	<b>10,394</b>	<b>3,062</b>	<b>3,272</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	43	16	9	59	29	60
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(11)	(4)	(2)	(15)	(7)	(15)
	Sub-total (a)	32	12	7	44	22	45
	(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	3,565	(7,322)	(1,586)	(3,757)	(2,623)	3,264
	(ii) Income tax relating to items that will be reclassified to profit or loss	(897)	1,843	399	946	660	(821)
	Sub-total (b)	2,668	(5,479)	(1,187)	(2,811)	(1,963)	2,443
	<b>Other comprehensive income / (loss) (a+b)</b>	<b>2,700</b>	<b>(5,467)</b>	<b>(1,180)</b>	<b>(2,767)</b>	<b>(1,941)</b>	<b>2,488</b>
13	<b>Total comprehensive income for the period / year (11+12)</b>	<b>6,674</b>	<b>953</b>	<b>895</b>	<b>7,627</b>	<b>1,121</b>	<b>5,760</b>
14	<b>Earnings per share (face value of INR 10/- each) (not annualised for interim periods)</b>						
	(a) Basic (in INR)	4.36	7.04	2.65	11.40	4.07	3.93
	(b) Diluted (in INR)	3.53	5.70	2.40	9.23	3.67	3.34

\* Balances are less than INR 50,000/-.



**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**

Sr. No.	Particulars	(INR in Lakhs)	
		As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
	<b>ASSETS</b>		
(1)	<b>Financial assets</b>		
(a)	Cash and cash equivalents		
(b)	Bank balance other than (a) above	27,594	75,679
(c)	Derivative financial instruments	74,420	84,034
(d)	Receivables	1,804	2,187
	(i) Trade receivables	-	-
	(ii) Other receivables	-	-
(e)	Loans	-	-
(f)	Investments	7,01,215	6,32,625
(g)	Other financial assets	9,864	10,049
	<b>Subtotal - Financial assets (A)</b>	<b>38,414</b>	<b>39,800</b>
		<b>8,53,311</b>	<b>8,44,374</b>
(2)	<b>Non-financial assets</b>		
(a)	Current tax assets (net)	4,485	4,007
(b)	Deferred tax assets (net)	216	2,828
(c)	Property, plant and equipment	2,695	2,386
(d)	Other intangible assets	387	422
(e)	Other non-financial assets	3,034	3,768
	<b>Subtotal - Non- financial assets (B)</b>	<b>10,817</b>	<b>13,411</b>
	<b>Total assets (A+B)</b>	<b>8,64,128</b>	<b>8,57,785</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>Liabilities</b>		
(1)	<b>Financial liabilities</b>		
(a)	Derivative financial instruments	396	-
(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	728	1,836
	(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		
(d)	Borrowings (other than debt securities)	1,14,313	1,53,008
(e)	Subordinated liabilities	5,51,770	5,19,132
(f)	Other financial liabilities	36,661	32,714
	<b>Subtotal - financial liabilities (A)</b>	<b>30,043</b>	<b>28,217</b>
		<b>7,33,911</b>	<b>7,34,907</b>
(2)	<b>Non-financial liabilities</b>		
(a)	Provisions	1,151	1,323
(b)	Other non-financial liabilities	593	724
	<b>Subtotal - non-financial liabilities (B)</b>	<b>1,744</b>	<b>2,047</b>
	<b>Total liabilities (A+B)</b>	<b>7,35,655</b>	<b>7,36,954</b>
(3)	<b>Equity</b>		
(a)	Equity share capital	8,814	8,813
(b)	Instruments entirely equity in nature	300	300
(c)	Other equity	1,19,359	1,11,718
	<b>Subtotal - equity (C)</b>	<b>1,28,473</b>	<b>1,20,831</b>
	<b>Total liabilities and equity (A+B+C)</b>	<b>8,64,128</b>	<b>8,57,785</b>





**Annapurna Finance Private Limited**

Note 2

Standalone statement of cash flow for the half year ended September 30, 2023

(INR in Lakhs)

Particulars	For the half year ended	
	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Profit before tax	13,936	3,796
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	711	586
Impairment on financial instruments	12,925	14,955
Provision for insurance claim receivable and others	-	73
Profit on sale of investments	(881)	(245)
Net gain on derecognition of financial instruments	(14,747)	(10,344)
Share based payments to employees	10	4
Interest income	(81,023)	(59,017)
Finance cost	39,844	30,978
<b>Operating loss before working capital changes</b>	<b>(29,225)</b>	<b>(19,214)</b>
<b>Movements in working capital:</b>		
Decrease/(Increase) in other financial and non financial assets	14,838	(33,882)
Decrease in bank balance other than cash and cash equivalents	9,613	17,728
Decrease in trade receivables	-	1
Increase in loans	(79,805)	(55,908)
Increase in other financial and non financial liabilities	1,693	10,118
Decrease in provisions	(172)	(444)
Decrease in trade payables	(1,108)	(247)
<b>Cash used in operations</b>	<b>(84,166)</b>	<b>(81,848)</b>
Interest received	77,696	55,067
Finance cost paid	(40,122)	(30,992)
Income tax paid (net of refunds)	(476)	(1,297)
<b>Net cash flows used in operating activities (A)</b>	<b>(47,068)</b>	<b>(59,070)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(768)	(733)
Purchase of other intangible assets	(276)	(102)
Purchase of investments	(208,499)	(130,200)
Proceeds from sale of investments	209,381	130,445
Proceeds from redemption of investments	660	-
<b>Net cash flows generated from/(used in) investing activities (B)</b>	<b>498</b>	<b>(590)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	21	9
Proceeds from issuance of Compulsorily Convertible Shares	-	11,730
Proceeds from debt securities	8,727	20,200
Repayment of debt securities	(47,853)	(13,417)
Repayment of lease liabilities	(58)	(83)
Proceeds from borrowings (other than debt securities)	210,438	174,835
Repayment of borrowings (other than debt securities)	(177,390)	(131,388)
Proceeds of subordinated liabilities	12,000	-
Repayment of subordinated liabilities	(7,400)	(2,500)
Share issue expenses	-	(87)
<b>Net cash flows (used in)/ generated from financing activities (C)</b>	<b>(1,515)</b>	<b>59,299</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(48,085)</b>	<b>(361)</b>
Cash and cash equivalents at the beginning of the period	75,679	95,134
<b>Cash and cash equivalents at the end of the period</b>	<b>27,594</b>	<b>94,773</b>
In current accounts	26,833	56,678
Deposit with original maturity of less than three months	493	37,441
Cash on hand	268	654
<b>Total cash and cash equivalents at the end of the period</b>	<b>27,594</b>	<b>94,773</b>

Note :

The above statement of cash flows has been prepared under the indirect method set out in IND AS 7 Statement of Cash Flows.

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**Notes:**

- 3 The standalone financial results of Annapurna Finance Private Limited (the 'Company') have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ('IND AS') 34 'Interim Financial Reporting' as prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended. 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 accounting policies and methods of computations followed in the standalone financial results for quarter and half year ended are consistent with the standalone audited financial statements for the year ended March 31, 2023.
- 5 The Company is a Non-Banking Finance Company registered with RBI as a Non Deposit taking - Systemically Important - Micro Finance Institution.
- 6 The above standalone financial results for the quarter and half year ended September 30, 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 November 08, 2023. The statutory auditors of the Company have carried out a limited review of the aforesaid results.
- 7 Pursuant to the exercise of options under the employee stock option schemes, the Company has allotted 4,000 and 10,600 equity shares during the quarter and the half year ended September 30, 2023, respectively.
- 8 The Company is primarily engaged in the business of financing and there are no separate reportable operating segments identified as per the IND AS 108 - Segment Reporting.
- 9 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 two 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.
- 10 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 August 29, 2023. As at March 31, 2023, the Company's qualifying assets (i.e. microfinance loans to total assets) was 67.61%. RBI vide its letter dated October 19, 2023 has provided a timeline till March 31, 2024 to the Company to fulfil the minimum qualifying assets criteria. As at September 30, 2023, the Company's qualifying assets were 76.21%. The Company will take necessary steps in the normal course of business to maintain the minimum qualifying assets criteria.
- 11 The Company has not transferred any stressed loans to Asset Reconstruction Companies ('ARCs') during the quarter and half year ended September 30, 2023. The Company had sold loans to an ARC on March 28, 2023 and Security Receipts (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 September 30, 2023, gross carrying amount of SRs is INR 30,977 lakhs, impairment loss allowance on SR is INR 21,612 lakhs and net carrying amount of SR is INR 9,365 lakhs.

Details of recovery rating assigned for security receipts as on September 30, 2023

Recovery Rating Scale	Implied recovery	Book Value (INR in Lakhs)
RR3	50% to 75%	30,977





## 12 Ratios

Particulars	As at September 30, 2023	As at March 31, 2023
(a) Debt Equity Ratio (Nos. of times)	5.47	5.83
(b) Debt service coverage ratio	NA	NA
(c) Interest service coverage ratio	NA	NA
(d) Outstanding redeemable preference shares (quantity and value)	NIL	NIL
(e) Debenture redemption reserve/ capital redemption reserve	NA	NA
(f) Net worth (INR in Lakhs)	128,473	120,831
(g) Current liability ratio	NA	NA
(h) Total debts to total assets (Nos. of times)	0.81	0.82
(i) Debtors turnover	NA	NA
(j) Inventory turnover	NA	NA
(k) Gross stage III (GNPA) loans* (%)	3.18%	3.84%
(l) Net stage III (NNPA) loans* (%)	1.14%	1.35%
(m) Provision coverage ratio (PCR) (%)	65.05%	65.78%
(n) Capital risk adequacy ratio (CRAR) (%)	24.80%	23.61%
(o) Liquidity coverage ratio (LCR) (%)	106.47%	359.05%
(p) Capital redemption reserve	NA	NA
(q) Debenture redemption reserve	NA	NA

\* Gross and net stage III loans do not include accrued interest of INR 10,100 lakhs as at September 30, 2023 (INR 8,893 lakhs as at March 31, 2023) on loans.

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
(a) Net profit margin (%)	8.19%	13.19%	5.12%	10.69%	4.18%	2.09%
(b) Operating margin (%)	NA	NA	NA	NA	NA	NA

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

## 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.

(INR in Lakhs)					
	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year (Refer Note)	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
	(A)	(B)	(C)	(D)	(E)
Personal loans	940	348	-	189	403
Corporate persons	-	-	-	-	-
(i) Of which MSMEs	-	-	-	-	-
(ii) Others	-	-	-	-	-
Total	940	348	-	189	403

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

## 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	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
	(A)	(B)	(C)	(D)	(E)
Personal loans	1,932	902	-	413	618
Corporate persons	-	-	-	-	-
(i) Of which MSMEs	-	-	-	-	-
(ii) Others	-	-	-	-	-
Total	1,932	902	-	413	618

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



14 Details of loans transferred during the quarter and half year ended September 30, 2023 under RBI Master Direction RBI.DOR.2021-22/86 DOR.STR.REC.51/21.04.048.2021-22 on Transfer of Loan Exposures dated September 24, 2021 (updated as on December 5, 2022) are given below:

(i) Details of transfer through Direct assignment in respect of loans not in default during quarter and half year ended September 30, 2023

Particulars	For the quarter ended September 30, 2023			For the half year ended September 30, 2023		
	To ARC	To permitted transferees	To other transferees	To ARC	To permitted transferees	To other transferees
Number of Loans	-	47,325	-	-	167,405	-
Aggregate amount (Rs in Lakhs)	-	39,239	-	-	101,868	-
Sale consideration (Rs in Lakhs)	-	35,315	-	-	91,680	-
Number of transactions	-	6	-	-	11	-
Weighted average remaining maturity (in months)	-	39	-	-	35	-
Weighted average holding period after origination (in months)	-	7	-	-	6	-
Retention of beneficial economic interest (MRR) (Rs in Lakhs)	-	3,924	-	-	10,187	-
Coverage of tangible security coverage	-	NA	-	-	NA	-
Rating wise distribution of rated loans	-	NA	-	-	NA	-
replace the transferred loans	-	NA	-	-	NA	-
Number of transferred loans replaced	-	NA	-	-	NA	-

(ii) The Company has not transferred any non performing assets (NPAs).

(iii) Details of loans acquired through Direct assignment in respect of loans not in default during the quarter and half year ended September 30, 2023

Details of loan acquired during the year	For the quarter ended September 30, 2023		For the half year ended September 30, 2023	
	From other tranferors	From ARC	From other tranferors	From ARC
Aggregate consideration paid	6,436	-	12,744	-
Weighted average residual tenor of loans aquired	23	-	21	-

(iv) The Company has not aquired any stressed loan.

**For Annapurna Finance Pvt. Ltd.**

For Annapurna Finance Private Limited

Date : November 08, 2023  
Place: Varanasi

*Dibyayoti Pattanaik*  
**Director (DIN-02764187)**

Dibyayoti Pattanaik  
Director  
DIN: 02764187

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