

**Limited Review Report on unaudited standalone financial results of Annapurna Finance Private Limited for the quarter ended 30 June 2024 pursuant to Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 June 2024 (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”). 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. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

B S R & Co. LLP

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

**Annapurna Finance Private Limited**

5. 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, 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 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

Mumbai  
7 August 2024

**Sameer Mota**  
*Partner*  
Membership No.: 109928  
UDIN: 24109928BKDBNH5398

**ANNAPURNA FINANCE PRIVATE LIMITED**

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

**Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2024**

(INR in Lakhs except for earnings per share data)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>INCOME</b>				
	(a) Revenue from operations				
	Interest income	46,330	40,672	39,180	164,779
	Fees and commission income	46	2	1	4
	Net gain on fair value changes	323	324	515	1,503
	Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	7,824	15,939	8,714	39,673
	<b>Total revenue from operations</b>	<b>54,523</b>	<b>56,937</b>	<b>48,410</b>	<b>205,959</b>
	(b) Other income	560	651	252	1,467
	<b>Total income (a+b)</b>	<b>55,083</b>	<b>57,588</b>	<b>48,662</b>	<b>207,426</b>
<b>2</b>	<b>EXPENSES</b>				
	(a) Finance costs	21,489	20,228	19,642	80,220
	(b) Impairment on financial instruments	6,118	12,464	6,049	32,796
	(c) Employee benefits expenses	14,525	13,091	11,530	49,611
	(d) Depreciation, amortization and impairment	400	480	320	1,623
	(e) Other expenses	4,062	3,755	2,513	12,073
	<b>Total expenses</b>	<b>46,594</b>	<b>50,018</b>	<b>40,054</b>	<b>176,323</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>8,489</b>	<b>7,570</b>	<b>8,608</b>	<b>31,103</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>8,489</b>	<b>7,570</b>	<b>8,608</b>	<b>31,103</b>
<b>6</b>	<b>Tax expense</b>				
	Current tax	2,271	169	-	169
	Deferred tax	(124)	1,731	2,188	7,692
	<b>Total tax expense</b>	<b>2,147</b>	<b>1,900</b>	<b>2,188</b>	<b>7,861</b>
<b>7</b>	<b>Profit for the period / year from continuing operations (5-6)</b>	<b>6,342</b>	<b>5,670</b>	<b>6,420</b>	<b>23,242</b>
<b>8</b>	Profit / (loss) from discontinued operations	-	-	-	-
<b>9</b>	Tax expense of discontinued operations	-	-	-	-
<b>10</b>	<b>Profit / (loss) from discontinued operations (after tax) (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Profit for the period / year (7+10)</b>	<b>6,342</b>	<b>5,670</b>	<b>6,420</b>	<b>23,242</b>
<b>12</b>	<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	61	(14)	16	110
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(16)	3	(4)	(28)
	Sub-total (a)	45	(11)	12	82
	(b) (i) Items that will be reclassified to profit or loss				
	- Fair value of loans and advances	(107)	(3,518)	(7,322)	(5,444)
	- Cashflow hedges	314	671	1,843	(601)
	- Fair value of investments	(2)	(4)	-	(4)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(51)	718	-	1,523
	Sub-total (b)	154	(2,133)	(5,479)	(4,526)
	<b>Other comprehensive income/ (loss) (a+b)</b>	<b>199</b>	<b>(2,144)</b>	<b>(5,467)</b>	<b>(4,444)</b>
<b>13</b>	<b>Total comprehensive income for the period / year (11+12)</b>	<b>6,541</b>	<b>3,526</b>	<b>953</b>	<b>18,798</b>
<b>14</b>	<b>Earnings per share (face value of Rs 10/- each) (not annualised for interim periods)</b>				
	(a) Basic (Rs)	6.72	5.45	7.04	24.63
	(b) Diluted (Rs)	5.47	5.06	5.70	20.64

**Notes:**

- 1 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') 34 'Interim Financial Reporting' as prescribed under section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance /clarification /directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued / applicable.
- 2 The accounting policies and methods of computations followed in the standalone financial results for quarter ended June 30, 2024 are consistent with the standalone audited financial statements for the year ended March 31, 2024.
- 3 The Company is a Non-Banking Finance Company registered with RBI as a Non Deposit taking - Systemically Important - Micro Finance Institution, classified under Middle Layer category as per Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated 19 October 2023, and any amendments thereto.
- 4 The above standalone financial results for the quarter ended June 30, 2024 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 August 7, 2024. The statutory auditors of the Company have carried out a limited review of the aforesaid results.
- 5 Pursuant to the exercise of options under the employee stock option schemes, the Company has allotted 9,900 equity shares during the quarter ended June 30, 2024.
- 6 The Company has breached covenants of 7 debentures with a carrying amount of Rs 13,145 lakhs as at June 30, 2024. These debentures are repayable in tranches within 23 months. However, these debentures contained covenants like the Company's GNPA, PAR ratio, etc. at the defined intervals cannot exceed threshold mentioned in each of the agreements otherwise the debenture holders have right to recall the debentures. The Company exceeded GNPA, Portfolio at Risk (PAR) ratio, etc. as at June 30, 2024. Management has obtained waivers for 4 out of 7 facilities. The Company has redeemed 2 debentures with a carrying amount of Rs 4,395 lakhs in July 2024. W.r.t. 1 debenture with a carrying amount of Rs 3,500 lakhs, the Company is in process of making early redemption on August 17, 2024.
- 7 The Company is solely engaged in providing loans to borrowers and accordingly there is only reportable business segment i.e. financing services for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.
- 8 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.
- 9 The standalone financial results includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published year to date figures up to the nine months ended of the previous financial year which were subject to a limited review by the statutory auditors of the Company.
- 10 The Company has not transferred any stressed loans to Asset Reconstruction Companies ('ARCs') during the quarter ended June 30, 2024. 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 an 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 June 30, 2024, gross carrying amount of SRs is Rs 31,908 lakhs, impairment loss allowance on SRs is Rs 22,861 lakhs and net carrying amount of SRs is Rs 9,047 lakhs.

Details of recovery rating assigned for security receipts as on June 30, 2024.

Recovery Rating Scale	Implied recovery	Book Value (Rs in Lakhs)
RR3	50% to 75%	31,908

**11 Ratios**

Particulars	As at	As at	As at
	June 30, 2024	March 31, 2024	June 30, 2023
(a) Debt Equity Ratio (Nos. of times)	4.16	4.18	5.93
(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)	172,487	165,951	121,793
(f) Current liability ratio	NA	NA	NA
(g) Current ratio	NA	NA	NA
(h) Long term debt to working capital	NA	NA	NA
(i) Bad debts to accounts receivable ratio	NA	NA	NA
(j) Total debts to total assets (Nos. of times)	0.77	0.77	0.82
(k) Debtors turnover	NA	NA	NA
(l) Inventory turnover	NA	NA	NA
(m) Gross stage III (GNPA) loans* (%)	2.49%	2.69%	2.99%
(n) Net stage III (NNPA) loans* (%)	0.61%	0.70%	1.05%
(o) Provision coverage ratio (PCR) (%)	76.14%	74.56%	65.84%
(p) Capital risk adequacy ratio (CRAR) (%)	29.43%	25.45%	23.46%
(q) Liquidity coverage ratio (LCR) (%)	152.73%	131.52%	432.18%
(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 Rs 10,944 as at June 30, 2024 (Rs 11,172 lakhs as at March 31, 2024) on loans. GNPA and NNPA including accrued interest on gross and net stage III loans is 2.67% and 0.82% respectively.

Particulars	Quarter ended		Year ended	
	June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
(a) Net profit margin (%)	11.51%	9.85%	13.19%	11.20%
(b) Operating margin (%)	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.

12 Details of loans transferred during the quarter ended June 30, 2024 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 28, 2023) are given below:

(i) Details of transfer through Direct assignment in respect of loans not in default during quarter June 30, 2024.

Particulars	For the quarter ended June 30, 2024			For the quarter ended June 30, 2023		
	To ARC	To permitted transferees	To other transferees	To ARC	To permitted transferees	To other transferees
Number of Loans	-	150,820	-	-	120,080	-
Aggregate amount (Rs in Lakhs)	-	75,309	-	-	62,629	-
Sale consideration (Rs in Lakhs)	-	67,778	-	-	56,366	-
Number of transactions	-	7	-	-	5	-
Weighted average remaining maturity (in months)	-	70	-	-	101	-
Weighted average holding period after origination (in months)	-	16	-	-	15	-
Retention of beneficial economic interest (MRR) (Rs in Lakhs)	-	7,531	-	-	6,263	-
Coverage of tangible security coverage	-	NA	-	-	NA	-
Rating wise distribution of rated loans	-	NA	-	-	NA	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-	NA	-	-	NA	-
Number of transferred loans replaced	-	NA	-	-	NA	-

(ii) The Company has not transferred any non performing assets (NPAs) during the quarter ended June 30, 2024.

(iii) Details of loans acquired through Direct assignment in respect of loans not in default during the quarter ended June 30, 2024.

Details of loan acquired during the quarter	For the quarter ended June 30, 2024		For the quarter ended June 30, 2023	
	From other transferors	From ARC	From other transferors	From ARC
Aggregate consideration paid	21,311	-	6,309	-
Weighted average residual tenor of loans acquired	18	-	21	-

(iv) The Company has not acquired any stressed loans during the quarter ended June 30, 2024.

For Annapurna Finance Private Limited

Date : August 7, 2024  
Place: Mumbai

Dibyajyoti Pattanaik  
Director  
DIN: 02764187