

NANGIA & CO LLP

Independent Auditor's Review Report on unaudited quarterly and year to date financial results of Adani Capital Private Limited Pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Adani Capital Private Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Adani Capital Private Limited ("the Company") for the quarter ended December 31, 2023 and year to date from April 01, 2023 to December 31, 2023 together with the notes thereon (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
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 (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Conclusion**

Based on our review conducted as above, nothing has come to our attention that cause us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed or that it contains material misstatement.

**For Nangia & Co. LLP
Chartered Accountants
Firm's Registration No. 002391C/N500069**

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Jaspreet Singh Bedi
Partner
Membership No.: 601788
UDIN: 24601788BKFMOA6252

Place: Mumbai
Date: February 01, 2024

4th Floor, Iconic Tower, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013, India
p: + 91 22 6173 7000

LLP Registration NO. AAJ-1379
Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

ADANI CAPITAL PRIVATE LIMITED

Regd Office Address: Adani House, 56 Shrimali Society, Navrangpura, Ahmedabad - 380009, Gujarat, India
CIN: U65990GJ2016PTC093692, Tel: +91 22 6241 1200, Fax: +91 22 2652 0650, Website: www.adanicapital.in

Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2023

| Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
|--|--|--|--|--------------------------|--------------------------|------------------------|
| | 31-Dec-23 (Unaudited) (Refer Note 3) | 30-Sep-23 (Unaudited) (Refer Note 3) | 31-Dec-22 (Unaudited) (Refer Note 3) | 31-Dec-23 (Unaudited) | 31-Dec-22 (Unaudited) | 31-Mar-23 (Audited) |
| 1 Revenue from operations | | | | | | |
| a) Interest income | 1,389.80 | 1,312.96 | 1,207.62 | 3,991.02 | 3,069.42 | 4,242.80 |
| b) Net gain on fair value changes | 16.00 | 14.78 | 13.27 | 38.58 | 41.72 | 53.18 |
| c) Net gain on derecognition of financial instruments under amortised cost category (Refer Note 7) | 109.11 | 6.53 | 151.32 | 195.85 | 498.12 | 839.08 |
| Total Revenue from operations | 1,514.91 | 1,334.27 | 1,372.21 | 4,225.45 | 3,609.26 | 5,135.06 |
| 2 Other income | 25.25 | 20.08 | 15.47 | 58.93 | 26.88 | 40.34 |
| 3 Total income (1 + 2) | 1,540.16 | 1,354.35 | 1,387.68 | 4,284.38 | 3,636.14 | 5,175.40 |
| 4 Expenses | | | | | | |
| a) Finance costs | 653.80 | 603.20 | 507.53 | 1,822.09 | 1,324.99 | 1,885.57 |
| b) Impairment on financial instruments | 118.78 | 97.89 | 106.19 | 327.01 | 242.36 | 364.12 |
| c) Employee benefits expenses | 352.22 | 357.22 | 283.80 | 1,068.03 | 856.84 | 1,200.86 |
| d) Depreciation, amortization and impairment | 25.78 | 25.79 | 24.04 | 75.18 | 68.61 | 92.19 |
| e) Others expenses | 112.32 | 122.44 | 107.60 | 331.32 | 300.33 | 414.91 |
| Total expenses | 1,262.90 | 1,206.54 | 1,029.16 | 3,623.63 | 2,793.13 | 3,957.65 |
| 5 Profit before exceptional items and tax (3 - 4) | 277.26 | 147.81 | 358.52 | 660.75 | 843.01 | 1,217.75 |
| 6 Exceptional Items | - | - | - | - | - | - |
| 7 Profit before tax (5 - 6) | 277.26 | 147.81 | 358.52 | 660.75 | 843.01 | 1,217.75 |
| 8 Tax Expense: | | | | | | |
| - Current tax | 63.40 | 57.90 | 49.55 | 183.50 | 97.60 | 123.90 |
| - Deferred tax | 6.60 | (21.62) | 36.05 | (17.71) | 113.75 | 187.06 |
| 9 Profit for the period (7 - 8) | 207.26 | 111.53 | 272.92 | 494.96 | 631.66 | 906.79 |
| 10 Other comprehensive income | | | | | | |
| (A) Items that will not be reclassified to profit or loss | | | | | | |
| (a) Remeasurements of the defined benefit plans | (0.57) | (0.58) | (0.43) | (1.72) | (1.68) | (2.29) |
| (B) Income tax relating to items that will not be reclassified to profit or loss | 0.14 | 0.15 | 0.11 | 0.43 | 0.42 | 0.58 |
| Other comprehensive income (A + B) | (0.43) | (0.43) | (0.32) | (1.29) | (1.26) | (1.71) |
| 11 Total comprehensive income for the period (9 + 10) | 206.83 | 111.10 | 272.60 | 493.67 | 630.40 | 905.08 |
| 12 Earnings per equity share face value of ₹ 10/- each fully paid (not annualised for the quarters) | | | | | | |
| - Basic | 8.93 | 4.81 | 11.76 | 21.33 | 27.57 | 39.45 |
| - Diluted | 8.82 | 4.75 | 11.61 | 21.06 | 27.20 | 38.97 |

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(₹ In millions)

- Adani Capital Private Limited (the 'Company') has prepared financial results for the quarter and nine months ended December 31, 2023 (the 'Statement'), in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') as amended and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act 2013 and directions / guidelines issued by Reserve Bank of India, as applicable and other accounting principle generally accepted in India. Any application guidance/clarification/directions issued by the Reserve bank of India or other regulators are implemented as and when they are issued/applicable. The disclosures as per Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended on September 7, 2021 for the quarter and nine months ended Decembr 31, 2023 are enclosed as Annexure.
- The above financial results of the Company are reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on February 01, 2024. The said financial results have also been subjected to a "Limited Review" by the statutory auditors Nangia & Co. LLP.
- The figures for the quarter ended December 31, 2023 and December 31, 2022 are the balancing figures between year to date figures and half year ended September 30, 2023 and September 30, 2022 respectively. Further, the figures for quarter ended September 30, 2023 are balancing figures between half year ended September 30, 2023 and quarter ended June 30, 2023.
- In terms of Ind AS 108 "Operating Segments", the Company has one business segment i.e. giving loans and all other activities revolve around the said business.
- In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition, Asset classification and Provisioning (IRACP) norms (including provision on standard asset). The impairment allowances under Ind AS 109 made by company exceeds the total provision required under IRACP (including standard asset provisioning), as at December 31, 2023 and accordingly, no amount is required to be transferred to impairment reserve.
- Disclosure as per RBI Mater Direction DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 for transfer of loan exposures

| Details of loans transferred | Direct Assignment | | Loan Participation | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | Quarter Ended 31-Dec-2023 | Quarter Ended 31-Dec-2022 | Quarter Ended 31-Dec-2023 | Quarter Ended 31-Dec-2022 |
| Number of loans | 720 | 2,830 | 2,432 | 716 |
| Aggregate amount (₹ In millions) | 671.38 | 1,053.76 | 751.81 | 330.89 |
| Sale consideration (₹ In millions) | 671.38 | 1,053.76 | 751.81 | 330.89 |
| Number of transactions | 1 | 3 | 3 | 1 |
| Weighted average remaining maturity (in months) | 105.58 | 63.50 | 38.07 | 46.23 |
| Weighted average holding period after origination (in months) | 15.53 | 14.21 | 5.65 | 4.14 |
| Retention of beneficial economic interest (average) | 10.00% | 10.00% | 20.00% | 20.00% |
| Coverage of tangible security coverage | 100.00% | 100.00% | 100.00% | 100.00% |
| Rating wise distribution of rated loans | NA | NA | NA | NA |
| Number of instances (transactions) where transferor has agreed to replace the transferred loans | Nil | Nil | Nil | Nil |
| Number of transferred loans replaced | Nil | Nil | Nil | Nil |

| Details of stressed loans transferred during the nine months ended December 31, 2023 | To ARCs | |
|---|--------------|--------------|
| | SMA Category | NPA Category |
| No. of accounts | | NA |
| Aggregate principal outstanding of loans transferred (₹ In millions) | | NA |
| Weighted average residual tenor of the loans transferred (in months) | | NA |
| Net book value of loans transferred (at the time of transfer) (₹ In millions) | | NA |
| Aggregate consideration (₹ In millions) | | NA |
| Additional consideration realized in respect of accounts transferred in earlier years (₹ In millions) | | NA |

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(₹ In millions)

| 7 | Details of loans transferred | Quarter Ended | | Year Ended |
|---|---|---------------|-----------|------------|
| | | 31-Dec-23 | 30-Sep-23 | 31-Mar-23 |
| | Sale consideration | 1,423.18 | 618.44 | 6,381.62 |
| | Day 1 gain on derecognition of financial instruments under amortised cost category | 305.65 | 159.06 | 1,186.25 |
| | Unwinding on account of the actual excess interest spread realised and reversal of excess interest spread on foreclosed loans | 196.54 | 152.53 | 347.17 |
| | Net gain on derecognition of financial instruments under amortised cost category | 109.11 | 6.53 | 839.08 |

EIS unwinding is impacted / higher at each reporting date due to the foreclosure of loans compared to estimated receipts of future income, any impact of increase / decrease in interest rate by the company on floating rate loans given to customers, and the change in interest rate by assignee bank. The management is of the view that netting off of unwinding of EIS against day 1 gain on derecognition of financial instruments rather than netting it off against interest income provides a better understanding of the financial impact of the transaction.

8 The Company ("Adani Capital Private Limited"), its holding company ("Adani Finserve Private Limited / AFPL") and its fellow subsidiary Adani Housing Finance Private Limited ("AHFPL") and certain other entities belonging to the Adani group have entered into agreements with Bain Capital (through BCC Atlantis) pursuant to which it is proposed as follows:

1. BCC Atlantis proposes to acquire 88.57% equity share capital of the Company from AFPL representing entire equity holding of AFPL in the Company.
2. BCC Atlantis will acquire by way of a primary subscription to Equity Shares to be issued by the Company.
3. BCC Atlantis will subscribe to warrants to be issued by the Company.

Pursuant to above, BCC Atlantis is expected to hold approximately 93.37% of the equity share capital of the Company on a fully diluted basis. The Company proposes to acquire 100% of the share capital of AHFPL from AFPL.

These proposed transactions are subject to regulatory approvals.

9 Figures for the previous period / year have been regrouped / reclassified wherever necessary to conform with the current period / year presentation.

Date: February 01, 2024
 Place: Mumbai

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For and on behalf of Board of Directors

Mr. Gaurav Gupta
 Managing Director &
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Annexure:

- I) Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on December 31, 2023 are being utilized as per the objects stated in the offer document. Further we also confirm that there have been no deviations, in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- II) The Secured Non-Convertible Debentures of the Company as at December 31, 2023 is secured by way of first ranking exclusive charge over the identified loan assets / book debts of the company along with all present and future book debts which has up to 1 year of original maturity to the extent of 1.00x times.
- III) Disclosure in compliance with regulation 52(4) of of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter and nine months ended December 31, 2023.

| Sr No | Particulars | Ratio |
|-------|---|----------|
| 1 | Debt – Equity Ratio as on December 31, 2023 (Refer Note 1 below) | 3.94 |
| 2 | Debt service coverage ratio | NA |
| 3 | Interest service coverage ratio | NA |
| 4 | Outstanding redeemable preference shares (quantity and value) | NA |
| 5 | Capital redemption reserve/debenture redemption reserve | NA |
| 6 | Net Worth as on December 31, 2023 (Refer Note 2 below) | 6,781.32 |
| 7 | Net Profit After Tax (Quarter ended December 31, 2023) | 207.26 |
| 8 | Earning Per Equity Shares for quarter ended December 31, 2023 (Not annualized): | |
| | Basic (₹) | 8.93 |
| | Diluted (₹) | 8.82 |
| 9 | Current ratio | NA |
| 10 | Long term debt to working capital | NA |
| 11 | Bad debts to Account receivable ratio | NA |
| 12 | Current liability ratio | NA |
| 13 | Total debts to total assets as on December 31, 2023 (Refer Note 3 below) | 0.76 |
| 14 | Debtors turnover | NA |
| 15 | Inventory turnover | NA |
| 16 | Operating margin (%) | NA |
| 17 | Net profit margin (%) | NA |
| 18 | Sector specific equivalent ratios as on December 31, 2023 | |
| | Gross Stage 3 asset (%) (Refer Note 4 below) | 2.61% |
| | Net Stage 3 asset (%) (Refer Note 5 below) | 1.48% |
| | CRAR (%) | 18.71% |
| | Tier - I CRAR (%) | 16.31% |
| | Tier - II CRAR (%) | 2.40% |
| | Liquidity coverage ratio (%) | NA |

Notes

- 1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings other than debt securities + Subordinated liabilities) / Net worth
- 2 Net Worth = Equity share capital + Other equity
- 3 Total debts to total assets = Total Debt / Total assets
- 4 Gross Stage 3 ratio = Gross Stage 3 loans / Gross Loans
- 5 Net Stage 3 ratio = (Gross stage 3 loans - impairment loss allowance for Stage 3) / (Gross Loans - impairment loss allowance for Stage 3)

For and on behalf of Board of Directors

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Mr. Gaurav Gupta
Managing Director &
DIN: 01669109

GUPTA

Date: February 01, 2024
Place: Mumbai

