

NANGIA & CO LLP

CHARTERED ACCOUNTANTS

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 31 December 2021 and year to date financial result for the period from 01 April 2021 to 31 December 2021 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.

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5. Emphasis of matter

We draw attention to Note 6 to the Statement, which describes the continuing impact of economic and social consequences of the COVID-19 pandemic on the Company's business and financial metrics including Company's operations and estimates related to impairment of assets, which continue to be dependent on uncertain future development.

Our conclusion is not modified in respect of this matter.

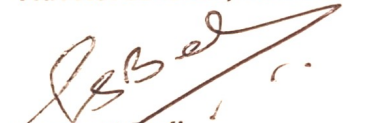
6. Other matter

The comparative financial information of the Company for quarter ended 30 September 2021 were reviewed and for the year ended 31 March 2021 were audited by another auditor who expressed an unmodified conclusion/opinion on those financial results on 11 November 2021 and 18 June 2021 respectively. Accordingly, we, do not express any conclusion/opinion, as the case may be, on the figures reported in the financial results for the quarter ended 30 September 2021 and year ended 31 March 2021.

The comparative financial information of the Company for the nine month's period ended 31 December 2020 were not reviewed by us. This unaudited financial information has been approved and furnished to us by the management.

Our conclusion is not modified in respect of this matter.

For Nangia & Co. LLP
Chartered Accountants
FRN No. 002391C/N500069



Jaspreet Bedi
Partner
Membership No.: 601788
UDIN: 22601788ABYPHJ1704

Place: Mumbai

Date: 14 February 2022

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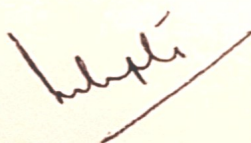
ADANI CAPITAL PRIVATE LIMITED

 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 Financial Results for the quarter and Nine months ended December 31, 2021

(₹ In millions except per share data)

	Particulars	Quarter Ended 31-Dec-21 (Unaudited)	Quarter Ended 30-Sep-21 (Unaudited)	Nine Months Ended 31-Dec-21 (Unaudited)	Nine Months Ended 31-Dec-20 (Refer note 4)	Year Ended 31-Mar-21 (Audited)
	Revenue from operations					
(i)	Interest income	590.79	533.21	1,593.99	1,287.42	1,764.68
(ii)	Fees and commission income	-	-	-	-	-
(iii)	Other operating income	6.96	5.81	24.38	12.12	15.39
(iv)	Net gain on derecognition of financial instruments under amortised cost category	-	72.38	72.38	-	127.29
(I)	Total revenue from operations	597.75	611.40	1,690.75	1,299.54	1,907.36
(II)	Other income	5.72	4.94	10.81	3.83	7.51
(III)	Total income (I + II)	603.47	616.34	1,701.56	1,303.37	1,914.87
	Expenses					
(i)	Finance costs	278.68	234.98	744.34	634.49	850.90
(ii)	Impairment on financial instruments	23.76	53.37	124.00	29.50	47.03
(iii)	Employee benefits expenses	215.22	213.13	600.42	395.49	546.53
(iv)	Depreciation, amortisation and impairment	19.02	15.70	49.87	41.66	57.54
(v)	Others expenses	54.71	51.06	148.81	125.70	211.64
(IV)	Total expenses	591.39	568.24	1,667.44	1,226.84	1,713.64
(V)	Profit before tax and exceptional items (III - IV)	12.08	48.10	34.12	76.53	201.23
(VI)	Exceptional items	-	-	-	-	-
(VII)	Profit before tax (V - VI)	12.08	48.10	34.12	76.53	201.23
(VIII)	Tax expense:					
	(1) Current tax	(14.07)	5.80	(20.67)	(32.40)	(11.30)
	(2) Deferred tax	12.57	(14.08)	15.34	21.21	(27.16)
(IX)	Profit for the period (VII - VIII)	10.58	39.82	28.79	65.34	162.77
(X)	Other comprehensive income					
	(A) Items that will not be reclassified to profit or loss					
	(a) Remeasurements of the defined benefit plans	(0.47)	(1.18)	(1.42)	(0.75)	(0.31)
	(B) Income tax relating to items that will not be reclassified to profit or loss	0.12	0.30	0.36	0.21	0.08
	Other comprehensive income (A + B)	(0.35)	(0.88)	(1.06)	(0.54)	(0.23)
(XI)	Total comprehensive income (IX + X)	10.23	38.94	27.73	64.80	162.54
(XII)	Earnings per equity share (Face value of ₹ 10/- each)					
	- Basic (Not annualised)	0.61	2.30	1.66	3.78	9.41
	- Diluted (Not annualised)	0.61	2.30	1.65	3.78	9.40


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Notes:

- 1 Adani Capital Private Limited (the 'Company') has prepared financial results for the quarter and nine months ended December 31, 2021 (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 & Disclosure Requirement) regulations, 2015 as amended on September 7, 2021 for the period ended December 31, 2021 are enclosed as Annexure.
- 2 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 14, 2022.
- 3 In compliance with regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligation and Disclosure Requirements) Regulations, 2015, a limited Review of financial results for the quarter and nine months ended December 31, 2021 has been carried out by the statutory auditors of the Company.
- 4 The column of corresponding figures for the quarter ended December 31, 2020 is not disclosed in the Statement pursuant to relaxation provided in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended on September 7, 2021.
- 5 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.
- 6 Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases.

The COVID-19 has resulted in significant decrease in global and local economic activities and has also affected the Company's business operations. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's operations and estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

The Company offered resolution plan to its customers pursuant to RBI's guideline dated May 5, 2021 'Resolution framework 2.0 - Resolution for COVID-19 related stress of Individuals and Small Businesses' and "Resolution framework 2.0 - Resolution for COVID-19 related stress of Micro, Small and Medium Enterprises (MSME).

Estimates and associated assumptions applied in preparing these financial results, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation along with the second wave of Covid- 19 in developing the estimates and assumptions to assess the impairment loss allowance on Loans.

Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.



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Notes:

- 7 The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated November 12, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms effective from November 12, 2021.

The aforementioned circular has no impact on the financial results for the quarter and nine months ended December 31, 2021 as the Company continues to prepare financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and the RBI circular dated March 13, 2020 on "Implementation of Indian Accounting Standards".

As at December 31, 2021, the Gross Stage - 3 assets under Ind AS stood at Rs. 334.09 mn, while the Gross NPA as per revised IRACP norms stood at Rs. 545.92 mn. As at December 31, 2021, the Company carries adequate ECL provisions under Ind AS which covers the provisioning requirements under revised IRACP norms.

- 8 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, 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 9 Disclosure on Resolution Framework 2.0 as per circular RBI/2021-22/31 DOR. STR. REC. 11/21.04.048/2021-22 issued by RBI dated May 5, 2021 For the nine months ended December 31, 2021.


	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
A	Number of request received for invoking resolution process under part A	-	277	60
B	Number of accounts where resolution plan has been implemented under this window	-	277	60
C	Exposure to accounts mentioned at (B) before implementation of the plan	-	280.58	173.27
D	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
F	Increase in provisions on account of the implementation of the resolution plan	-	6.46	2.10

- 10 The figures for the quarter ended December 31, 2021 are balancing figures between reviewed figures in respect of nine months ended December 31, 2021 and half year ended September 30, 2021.
- 11 Figures for the previous periods / year have been regrouped / reclassified wherever necessary to conform with the current period / year presentation.



Date: February 14, 2022
 Place: Mumbai

For and on behalf of Board of Directors


 Mr. Gourav Gupta
 MD and CEO
 DIN: 01669109



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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, 2021 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 31st December 2021 are secured by way of First Pari Passu charge over Standard Loan Receivables and Investment Receivables (including un-encumbered cash and bank balance, investments) to the extent of 1.20 times. The Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount and other dues at all times for the non-convertible debt securities issued by the Company.
- iii) Disclosure in compliance with regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the nine months ended December 31, 2021.

Sr No	Particulars	Ratio
1	Debt - Equity Ratio as on December 31, 2021 (Refer Note 1 below)	3.70
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 (Issued Share Capital + Reserves and Surplus) as on December 31, 2021 (Refer Note 2 below)	3,567.33
7	Net Profit After Tax (Quarter ended December 31, 2021)	10.58
8	Earning Per Equity Shares for quarter ended December 31, 2021 (Not annualized):	
	Basic (₹)	0.61
	Diluted (₹)	0.61
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, 2021 (Refer Note 3 below)	0.75
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, 2021	
	Gross Stage 3 asset (%) (Refer Note 4 below)	2.14%
	Net Stage 3 asset (%) (Refer Note 5 below)	1.49%
	CRAR (%)	21.71%
	Tier - I CRAR (%)	19.12%
	Tier - II CRAR (%)	2.59%

Notes

- 1 Debt-equity Ratio = Total Debt (Debt Securities + Borrowings other than debt securities) / 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

M: Gaurav Gupta
 MD and CEO
 DIN: 01669109

Date: February 14, 2022
 Place: Mumbai