

## Independent Auditor's Review Report on unaudited financial results

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 June 30, 2023 together with the notes thereon (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 (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 in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. 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.
5. This review report is issued at the request of the Company and is intended solely for use of the management and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, We do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

**Jaspreet Singh Bedi**  
Partner  
Membership No.: 601788  
UDIN: 23601788BGVLXJ1229

Place: Mumbai  
Date: August 14, 2023

**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 ended June 30, 2023**

(₹ In millions except per share data)

Particulars	Quarter Ended			Year Ended
	30-Jun-23 (Unaudited)	31-Mar-23 (Audited) (Refer Note 3)	30-Jun-22 (Unaudited)	31-Mar-23 (Audited)
<b>1 Revenue from operations</b>				
a) Interest income	1,288.26	1,173.38	866.95	4,242.80
b) Net gain on fair value changes	7.80	11.46	7.45	53.18
c) Net gain on derecognition of financial instruments under amortised cost category (Refer Note 7)	80.21	340.96	152.56	839.08
<b>Total Revenue from operations</b>	<b>1,376.27</b>	<b>1,525.80</b>	<b>1,026.96</b>	<b>5,135.06</b>
<b>2 Other income</b>	<b>16.20</b>	<b>13.57</b>	<b>5.20</b>	<b>41.00</b>
<b>3 Total income (1 + 2)</b>	<b>1,392.47</b>	<b>1,539.37</b>	<b>1,032.16</b>	<b>5,176.06</b>
<b>4 Expenses</b>				
a) Finance costs	565.09	560.58	399.69	1,885.57
b) Impairment on financial instruments	112.95	121.87	72.84	364.78
c) Employee benefits expenses	358.59	344.02	306.35	1,200.86
d) Depreciation, amortization and impairment	23.61	23.58	21.88	92.19
e) Others expenses	96.56	114.58	95.91	414.91
<b>Total expenses</b>	<b>1,156.80</b>	<b>1,164.63</b>	<b>896.67</b>	<b>3,958.31</b>
<b>5 Profit before exceptional items and tax (3 - 4)</b>	<b>235.67</b>	<b>374.74</b>	<b>135.49</b>	<b>1,217.75</b>
<b>6 Exceptional Items</b>	-	-	-	-
<b>7 Profit before tax (5 - 6)</b>	<b>235.67</b>	<b>374.74</b>	<b>135.49</b>	<b>1,217.75</b>
<b>8 Tax Expense:</b>				
- Current tax	62.20	26.30	-	123.90
- Deferred tax	(2.69)	73.31	35.42	187.06
<b>9 Profit for the period (7 - 8)</b>	<b>176.16</b>	<b>275.13</b>	<b>100.07</b>	<b>906.79</b>
<b>10 Other comprehensive income</b>				
(A) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit plans	(0.57)	(0.61)	1.30	(2.29)
(B) Income tax relating to items that will not be reclassified to profit or loss	0.14	0.16	(0.33)	0.58
<b>Other comprehensive income (A + B)</b>	<b>(0.43)</b>	<b>(0.45)</b>	<b>0.97</b>	<b>(1.71)</b>
<b>11 Total comprehensive income for the period (9 + 10)</b>	<b>175.73</b>	<b>274.68</b>	<b>101.04</b>	<b>905.08</b>
<b>12 Earnings per equity share face value of ₹ 10/- each fully paid (not annualised for the quarters)</b>				
- Basic	<b>7.59</b>	<b>11.85</b>	<b>4.40</b>	<b>39.45</b>
- Diluted	<b>7.50</b>	<b>11.71</b>	<b>4.39</b>	<b>38.97</b>

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(₹ In millions)

- Adani Capital Private Limited (the 'Company') has prepared financial results for the quarter ended June 30, 2023 (the 'Statement'), in accordance with 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 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 August 14, 2023. The said financial results have also been subjected to a "Limited Review" by the statutory auditors Nangia & Co. LLP.
- The results for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of financial year ended March 31, 2023 and the published year to date figures upto the nine months ended December 31, 2022. The figures upto the nine months period ended December 31, 2022 were subject to limited review by the Statutory Auditors of the Company.
- 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 June 30, 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	Quarter Ended	Quarter Ended	Quarter Ended
	30-Jun-2023	30-Jun-2022	30-Jun-2023	30-Jun-2022
Number of loans	3,191	3,849	NA	650
Aggregate amount (₹ In millions)	1,439.70	908.22	NA	233.11
Sale consideration (₹ In millions)	1,439.70	908.22	NA	233.11
Number of transactions	3	2	NA	1
Weighted average remaining maturity (in months)	78.50	51.30	NA	45.47
Weighted average holding period after origination (in months)	13.15	18.34	NA	3.69
Retention of beneficial economic interest (average)	10.00%	10.00%	NA	20.00%
Coverage of tangible security coverage	100.00%	100.00%	NA	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	NA	Nil
Number of transferred loans replaced	Nil	Nil	NA	Nil

Details of stressed loans transferred during the quarter ended June 30, 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
		30-Jun-23	31-Mar-23	31-Mar-23
	Sale consideration	1,439.70	2,681.29	6,381.62
	Day 1 gain on derecognition of financial instruments under amortised cost category	258.48	493.09	1,186.25
	Unwinding on account of the actual excess interest spread realised and reversal of excess interest spread on foreclosed loans	178.27	152.13	347.17
	Net gain on derecognition of financial instruments under amortised cost category	80.21	340.96	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.

**For and on behalf of Board of Directors**

**Date: August 14, 2023**  
**Place: Mumbai**

**Mr. Gaurav Gupta**  
**Managing Director & CEO**  
**DIN: 01669109**

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**Annexure:**

- I) We hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on June 30, 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 June 30, 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) Additional Disclosure for the quarter ended June 30, 2023.

Sr No	Particulars	Ratio
1	Debt – Equity Ratio as on June 30, 2023 (Refer Note 1 below)	3.60
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 June 30, 2023 (Refer Note 2 below)	6,459.83
7	Net Profit After Tax (Quarter ended June 30, 2023)	176.16
8	Earning Per Equity Shares for quarter ended June 30, 2023 (Not annualized):	
	Basic (₹)	7.59
	Diluted (₹)	7.50
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 June 30, 2023 (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 June 30, 2023	
	Gross Stage 3 asset (%) (Refer Note 4 below)	1.93%
	Net Stage 3 asset (%) (Refer Note 5 below)	1.12%
	CRAR (%)	20.55%
	Tier - I CRAR (%)	17.83%
	Tier - II CRAR (%)	2.72%
	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

 Date: August 14, 2023  
 Place: Mumbai

 Mr. Gaurav Gupta  
 Managing Director & CEO  
 DIN: 01669109