CareEdge RATINGS

No. CARE/NRO/RL/2024-25/1048

Shri Satyajit Das
Chief Financial Officer
Annapurna Finance Private Limited
1215/1401 Khandagiri Bari, infront of Jayadev Vatika,

Bhubaneswar
Odisha 751030

April 16, 2024

Confidential

Dear Sir,

Credit rating for proposed Subordinate Non-convertible Debentures

Please refer to your request for rating of proposed long-term Subordinate Non-convertible Debenture (NCD) issue aggregating to Rs.100 crore of your Company. The proposed NCDs would have tenure of 5 Years and 9 months..

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	100.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is mmm dd, yyyy April 16, 2024).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by April 17, 2024, we will proceed on the basis that you have no any comments to offer.

8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

11. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

12. Our ratings are **not** recommendations to buy, sell or hold any securities.

13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

CARE Ratings Limited

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Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

PRESS RELEASE

ANNAPURNA FINANCE PRIVATE LIMITED

April 18, 2024

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,011.99	CARE A-; Positive	Reaffirmed
Long-term Instruments	34.00	CARE A-; Positive	Reaffirmed
Long-term instruments	39.60	CARE A-; Positive	Reaffirmed
Long-term instruments	15.00	CARE A-; Positive	Reaffirmed
Long-term instruments	71.25	CARE A-; Positive	Reaffirmed
Non-convertible debentures	100.00	CARE A-; Positive	Assigned
Non-convertible debentures	15.00	CARE A-; Positive	Reaffirmed
Non-convertible debentures	18.75	CARE A-; Positive	Reaffirmed
Non-convertible debentures	40.00	CARE A-; Positive	Reaffirmed
Non-convertible debentures	3.25	CARE A-; Positive	Reaffirmed
Non-convertible debentures	30.00	CARE A-; Positive	Reaffirmed
Non-convertible debentures	50.40	CARE A-; Positive	Reaffirmed
Non-convertible debentures	50.00	CARE A-; Positive	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to long-term instruments and bank facilities of Annapurna Finance Private Limited (AFPL) continues to draw comfort from growing scale of operations with asset under management (AUM) rising to ₹9,540 crore as on December 31, 2023 along with moderate albeit improving asset quality, with net stress assets to net advances of 2.29% as on December 31, 2023 (net stress assets includes net non-performing assets of ₹ 71.40 crore, net security receipt of ₹ 91.56 crore as on December 2023), owing to write-offs and sale of delinquent portfolio to asset reconstruction company (ARC). Ratings also consider the long track record of promoters in the microfinance industry, diversified resource profile, and comfortable capitalisation metrics.

However, these rating strengths are partially offset with the geographical concentration of AFPL's loan portfolio, rising delinquencies from Punjab, inherent risks in the micro finance industry, including unsecured lending, leading to higher risk profile.

CARE Ratings Limited (CARE Ratings) takes note of recent challenges faced by the micro finance industry (MFI) in the state of Punjab and Haryana due to some local issues, the collection efficiency and delinquencies have been adversely impacted. However, APFL holds 3.7% and 2.6% share towards Punjab and Haryana. Going forward, the performance of these states remains key monitorable.

CARE Ratings notes that AFPL has applied for the banking license with Reserve Bank of India (RBI) in November 2022 which is under process.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Rating sensitivities: Factors likely to lead to rating actions

Positive factors – Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improving profitability profile with return on total asset (RoTA) of more than 3% on a sustained basis.
- Sizable scale-up of operations whilst ensuring lower geographical concentration.

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Weakening of capitalisation profile with assets under management (AUM) to net worth rising beyond 6x on sustained basis.
- Significantly deteriorating asset quality profile impacting profitability.

Analytical approach: Standalone

Outlook: Positive

The positive outlook signifies CARE Ratings' expectation that the company will continue to grow its business operations as envisaged in a calibrated manner with the maintaining of the asset quality metrics and healthy profitability. CARE Ratings expects continuous support from investors in future as well. However, the outlook may be revised back to stable in case of moderation in profitability matrix and asset quality.

Detailed description of the key rating drivers:

Key strengths

Improving scale of operations

As on December 31, 2023, AFPL was able to report loan book growth with its AUM increasing by 12% (annualised) to ₹9,540 crore from ₹8,749 crore as on March 31, 2023. Currently, the company has a presence in 21 states through a network of 1,335 branches as on December 31, 2023, and caters to almost 2.6 million borrowers. The company's focus is the microfinance segment, which amounted to dominant 86% of AUM as on December 31, 2023, though reduced from 99% of AUM as on March 31, 2018. The micro, small & medium enterprises (MSME) segment has gradually increased from 1% of AUM as on March 31, 2018, to 14% of AUM as on March 31, 2023, however, this has declined to 13% as on December 31, 2023, to adhere to the minimum qualifying asset criteria.

CARE Ratings notes that AFPL reported breach of minimum qualifying asset criteria as on March 31, 2023 with ratio of 67.61%, however to adhere to it, the company has reduced its non-MFI book and as on December 31, 2023, the ratio improved to 77.24%, which is above the minimum limit of 75%.

Going forward, the company's ability to grow its book while maintaining asset quality remains key monitorable.

Diversified resource profile

The resource profile of AFPL remains diversified, having banking relationships with more than 60 lenders and distributed across various instruments, majority of which is concentrated towards term loans from banks/financial institutions (72%), followed by secured and unsecured non-convertible debentures (11%), external commercial borrowings (9%) and other borrowings including sub-debt (7%). In 9MFY24, the company has raised ₹ 4651.95 crore in the form of term loans, external commercial borrowings (ECBs), Sub-Debts and non-convertible debentures (NCDs) at the interest rate ranging from 8% to 12.40%.

Experienced management profile with continuous support from investors

AFPL's locus of operations is Odisha and is promoted by Gobinda Chandra Pattanaik (Managing Director) and Dibyajyoti Pattanaik (Director). The promoters have more than two decades of experience in micro-financing activity and the affairs of the company are being managed by them along with a professional team. AFPL has a track record of over a decade and has gradually developed a strong presence in the state. Apart from the promoter support, the company is backed by other strong institutional investors such as Nuveen Global Impact Fund, Oman India Joint Investment Fund, Asian Development Bank, Belgian Investment Company for Developing Countries and Oikocredit etc. Till FY23 (refers to the period April 1 to March 31), AFPL has received capital infusion of ₹1,385 crore in the form of equity, compulsory convertible preference shares (CCPS) and compulsory convertible debentures (CCD). In FY22, the company received capital infusion of ₹409 crore in the form of CCD and CCPS, and in FY23, the company further received infusion of ₹117 crore in the form of CCPS. CARE Ratings notes that all the compulsory convertible Preference Shares have been converted into equity as on January 31, 2024.

CARE Ratings notes that the company is planning for secondary sale wherein some of the existing shareholders will take partial exit.

CARE Ratings will continue to monitor the ability of the company to raise capital and maintain healthy gearing levels, going forward.

Moderate asset quality, though improving

With the gradual improvement in collections, significant write-offs and the sale to an asset reconstruction company (ARC), the asset quality of the company has improved, with the gross stress assets (which includes gross non-performing assets [GNPA] and security receipts) reducing from 9.80%as on March 31, 2022, to 7.4% as on December 31, 2023. The company carries sufficient provisions against its stress assets. After adjusting the provision, the net stress assets to net advance ratio has reduced to 2.29% as on December 31, 2023 as compared to 3.45% as on March 31, 2023.

CARE Ratings note that delinquencies have increased in certain states, like Punjab & Haryana, as overall MFI industry is facing some event-based challenges in these states. Going forward, asset quality of the company remains key monitorable.

Key weaknesses

Geographical concentration of operations

Given the locus of operations of the company being in Odisha, the portfolio continues to be majorly driven from Odisha with 20% of its portfolio as on March 31, 2023 (25% as on March 31, 2022) which has further reduced to 18% of AUM as on December 31, 2023. The company had 50% of its AUM concentrated in top three states, namely, Odisha, Madhya Pradesh, and Bihar as on March 31, 2023, and 52% of its AUM as on December 31, 2023. Recently, the company has entered into new state, Telangana to expanding reduce the geographical concentration. However, having more than half of portfolio concentrated in only three states exposes AFPL to the event-based risks associated in these regions.

Moderate profitability, though improving

After reporting subdued profitability in FY22 and FY23, AFPL was able to improve its overall profitability, reporting a return on total assets (RoTA) of 2.72% in 9MFY24. The improving RoTA is backed by increase in lending rates owing to removal of interest rate cap by the RBI which has resulted into improvement in net interest margins (NIMs) to 9.14% as compared with 6.10% in FY23 as well as sizable DA transaction of 3.7% (DA Income as a % of average total assets) as on December 31, 2023. The operating expenses to average assets ratio has increased from 6.36% in FY23 and 7.11% in 9MFY24 owing to branch expansion and hiring of additional workforce. However, credit cost has declined in 9MFY24 to 3.15% from 4.62% in FY23, leading to improvement in the overall RoTA to 2.72% from 0.42% in FY23 and 0.27% in FY22.

Going forward, CARE Ratings expects profitability to remain at similar levels considering credit cost may rise marginally due to rising delinquencies in Punjab & Haryana.

Susceptibility of business on account of event-based risks

The company's business operations are highly susceptible to event-based risks such as socio-political disruptions, regulatory risks, and natural calamities. Besides, due to the unsecured nature of the portfolio, there is no recourse available to the company, in case of default by the borrower. Going forward, CARE Ratings will continue to monitor AFPL's ability to withstand such economic shocks while maintaining the asset quality and profitability metrics.

Liquidity: Adequate

The company has comfortable liquidity profile, given high amount of liquidity surplus in the form of cash and bank balances. The liquidity profile is further augmented by periodic equity infusions. As per asset liability mismatch (ALM) statement as on December 31, 2023, there are no negative cumulative mismatches for any time bucket. It has cash and bank balance of ₹520 crore (including unpledged fixed deposits) as on December 31, 2023.

Applicable criteria

Policy on default recognition
Financial Ratios - Financial Sector
Rating Outlook and Credit Watch
Non Banking Financial Companies

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Financial services	Financial services	Finance	Microfinance institutions

AFPL (erstwhile, Annapurna Microfinance Private Limited [AMPL]) was initially promoted in 1990 as a society by the name of People's Forum (PF) by Gobinda Chandra Pattanaik in Odisha. It started operation in the Khurda district of Odisha with the objective to form and promote self-help groups (SHGs) and socio-economic development. In November 2009, PF acquired Gwalior Finance and Leasing Company Private Limited, a non-banking finance company (NBFC) registered in Varanasi, Uttar Pradesh, and transferred its microfinance loan portfolio to the NBFC. The name of the NBFC was changed to AMPL in February 2010 and then to its present name in January 2018. AFPL is engaged in micro finance lending to women borrowers under joint-liability group (JLG) as well as individual loans, housing loans and MSME loans.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	9MFY24 (UA)
Total operating income	1,152.77	1,569.57	1,498.38
PAT	17.13	32.72	175.72
Interest coverage (times)	1.06	1.09	1.40
Total assets*	7,130.95	8,545.35	8,688.21
Net NPA (%)	2.86	1.35	1.00
ROTA (%)	0.27	0.42	2.72

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'
*total assets are net of deferred tax assets and intangible assets

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures	INE515Q07533	09-07-2021	11.20%	09-07-2026	40.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q07525	12-07-2021	11.20%	12-07-2026	37.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q07566	05-07-2022	11.35%	07-07-2028	50.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q08168	22-12-2021	11.50%	24-12-2027	30.00	CARE A-; Positive
Debt-Subordinate debt	INE515Q08101	23-03-2020	13.00%	13-04-2027	39.60	CARE A-; Positive
Debt-Non-convertible debenture/Subordinate debt	INE515Q08135	12-01-2021	12.29%	18-02-2028	71.25	CARE A-; Positive
Debt-Subordinate debt	INE515Q08127	31-03-2020	12.21%	30-04-2025	34.00	CARE A-; Positive
Debt-Subordinate debt	INE515Q08119	27-03-2020	14.50%	15-05-2026	15.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q07616	22-09-2023	1.50%	5-09-2025	50.00	CARE A-; Positive
Debentures-Non-convertible debentures	Proposed				0.40	CARE A-; Positive
Debt-Subordinate debt	Proposed				100.00	CARE A-; Positive
Fund-based - LT-Term loan		-	-	24-03-2026	2,011.99	CARE A-; Positive

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	2011.99	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
2	Debt-Subordinate Debt	LT	34.00	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)

						3)CARE A-; Stable (07-Apr-23)		
3	Debt-Subordinate Debt	LT	39.60	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
4	Debt-Subordinate Debt	LT	15.00	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
5	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
6	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (31-May-23) 2)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
7	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
8	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (13-Sep-23) 2)CARE A-; Stable (31-May-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)

						3)CARE A-; Stable (07-Apr-23)		
9	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
10	Debentures-Non Convertible Debentures	LT	15.00	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
11	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
12	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)
13	Debentures-Non Convertible Debentures	LT	18.75	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21) 2)CARE A-; Stable (29-Jun-21)
14	Debt-Non-convertible Debenture/Subordinate Debt	LT	71.25	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21)

						3)CARE A-; Stable (07-Apr-23)		
15	Debentures-Non Convertible Debentures	LT	40.00	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21) 2)CARE A-; Stable (29-Jun-21)
16	Debentures-Non Convertible Debentures	LT	3.25	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21) 2)CARE A-; Stable (29-Jun-21)
17	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (30-Sep-21) 2)CARE A-; Stable (29-Jun-21)
18	Debentures-Non Convertible Debentures	LT	30.00	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	1)CARE A-; Stable (16-Dec-21)
19	Debentures-Non Convertible Debentures	LT	50.40	CARE A-; Positive	-	1)CARE A-; Positive (13-Sep-23) 2)CARE A-; Stable (31-May-23) 3)CARE A-; Stable (07-Apr-23)	1)CARE A-; Stable (29-Dec-22) 2)CARE A-; Stable (06-Jul-22)	-

20	Debentures-Non Convertible Debentures	LT	50.00	CARE A-; Positive	-	1)CARE A-; Positive (20-Sep-23)	-	-
21	Debentures-Non Convertible Debentures	LT	100.00	CARE A-; Positive				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Debt-Non-convertible Debenture/Subordinate Debt	Complex
3	Debt-Subordinate Debt	Complex
4	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender-wise details of bank facilities please click here

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

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For the detailed Rationale Report and subscription information, please visit www.careedge.in

No. CARE/NRO/RL/2024-25/1046

Shri Satyajit Das
Chief Financial Officer
Annapurna Finance Private Limited
1215/1401 Khandagiri Bari, infront of Jayadev Vatika,
Bhubaneswar
Odisha 751030

April 16, 2024

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

On the basis of recent developments including operational and financial performance of your Company for FY23 (Audited) and 9MFY24 (Unaudited), our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	15.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
2.	Non Convertible Debentures	18.75	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
3.	Non Convertible Debentures	40.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
4.	Non Convertible Debentures	3.25	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
5.	Non Convertible Debentures	30.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
6.	Non Convertible Debentures	50.40	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
7.	Non Convertible Debentures	50.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
8.	Non-convertible Debenture/Subordinate Debt	71.25	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
9.	Subordinate Debt	34.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
10.	Subordinate Debt	39.60	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed
11.	Subordinate Debt	15.00	CARE A-; Positive (Single A Minus; Outlook: Positive)	Reaffirmed

2. The NCDs are repayable as per Annexure-1.

3. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument::

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

4. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by April 17, 2024, we will proceed on the basis that you have no any comments to offer.

5. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to

publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

9. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Prabhjyot Kaur
Lead Analyst
prabhjyot.kaur@careedge.in

Neha Kadiyan
Associate Director
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Encl.: As above

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure-1

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures	INE515Q07533	09-07-2021	11.20%	09-07-2026	40.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q07525	12-07-2021	11.20%	12-07-2026	37.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q07566	05-07-2022	11.35%	07-07-2028	50.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q08168	22-12-2021	11.50%	24-12-2027	30.00	CARE A-; Positive
Debt-Subordinate debt	INE515Q08101	23-03-2020	13.00%	13-04-2027	39.60	CARE A-; Positive
Debt-Non-convertible debenture/Subordinate debt	INE515Q08135	12-01-2021	12.29%	18-02-2028	71.25	CARE A-; Positive
Debt-Subordinate debt	INE515Q08127	31-03-2020	12.21%	30-04-2025	34.00	CARE A-; Positive
Debt-Subordinate debt	INE515Q08119	27-03-2020	14.50%	15-05-2026	15.00	CARE A-; Positive
Debentures-Non-convertible debentures	INE515Q07616	22-09-2023	11.50%	25-09-2025	50.00	CARE A-; Positive
Debentures-Non-convertible debentures	Proposed				0.40	CARE A-; Positive