

## Management Discussion & Analysis

### 1. Introduction

The financial year 2022 was marked with 2 key events; continuing impact of pandemic and escalation of geopolitical tensions between Russia and Ukraine into a war.

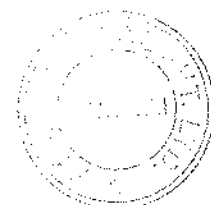
The year began with a far more lethal second wave of Covid that penetrated deeper in the hinterlands of the country and we saw people experiencing heightened fear, panic and exercising caution bringing business activity to a near halt in first quarter. This wave had a far-reaching impact in our target market - rural & semi-urban India; our portfolio de-grew in Q1 but ensuring health and safety of the team was our prime objective.

However, backed by experience of first wave, general population - businesses and borrowers were much better prepared to address the challenges posed by the second lock down. Our employees/business processes realigned seamlessly in order to comply with local level administrative restrictions. Collections performance dipped in the Q1 but were quick to bounce back as effects of wave ebbed and the normalcy restored by Q2. Emboldened by how our micro entrepreneurs withstood the two covid waves, we progressed our expansion plan and added over 75 branches in our existing states and new states of AP, Telagana, MP and TN consequently we more than doubled our team.

Third wave, the Omnicron variant, was experienced in the latter part of the year. Although it impacted a larger population, thankfully, claimed less casualties and had lesser impact on the economic activity compared to the earlier waves.

In February 2022, the geopolitical tension escalated between Russia and Ukraine developing into a large scale war. In addition to a humanitarian crises, this conflict led to severe sanctions on Russia, severely affecting global food, energy and commodity prices, resulting in significant escalation in inflation rates. To combat inflation, advanced economies commenced policy normalisation/tightening which led to high volatility in our equity/debt markets. Indian CPI inflation reached an 8 year high of 7.8% in April'22. To balance the volatility and combat domestic inflation, the Reserve Bank, on its part, increased the policy Repo rate by an aggregate 90 bps; 40 bps during an out-of-turn monetary policy meeting on May 4<sup>th</sup> and 50 bps in it June'22 meeting. In view of expected continuing inflationary pressure and complimentary to global counterparts, further rate increases are expected.

We remain cautious on the growth outlook for next year and will be closely monitoring the macro economic developments, monetary policy measures, pace of rate hikes and impact of consumption, monsoons, commodity prices and various fiscal measures on our borrower's behaviour.



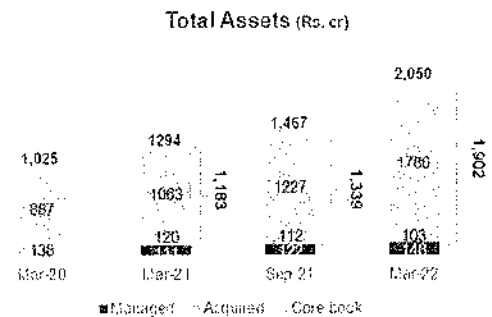
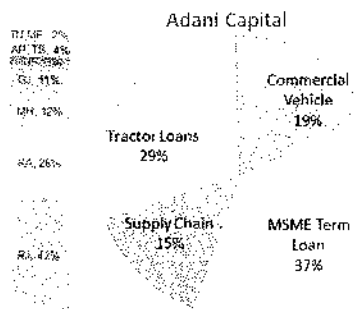
## 2. Adani Capital Private Limited (Adani Capital)

### 2.1 Overview

In sync with Adani Group's vision of "Growth with Goodness", at Adani Capital our vision is to support micro entrepreneurs. Our aim is to leverage technology and provide efficient, transparent and cost-effective solutions to our entrepreneur borrowers. Adani Capital is a non-deposit taking systemically important NBFC registered with the RBI and received its NBFC license in Jan 2017 and commenced operations from March 2017.

The lack of adequate and timely access to finance has been one of the biggest challenges in the semi-urban and rural geographies in our country. Our products specifically address the financing requirements of Tier 2 to Tier 4 markets. We provide loans ranging from Rs. 1 lakh to Rs. 1 cr for meeting requirements of our entrepreneur borrowers. Our products can be classified as:

- Tractor Loans – New, Used/Refinance.
- Commercial Vehicle loans – New, Used/Refinance with a focus on small & light commercial vehicles.
- Business Loans- fully collateralized term loans to small and micro enterprises for business purpose.
- Supply Chain Finance – short term working capital facility to small and medium enterprises.



### 2.2 Trends this year

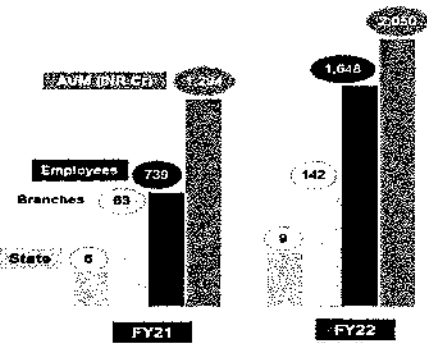


As of Mar'22, total assets under management (AUM) were Rs. 2,050 cr, increase of c.58% YoY and over 45,000 customers across our 150+ branch locations in 9 states; Maharashtra, Gujarat, Rajasthan, Karnataka, Madhya Pradesh, Andhra Pradesh, Telangana and Tamil Nadu.

**Gross Disbursements (Rs cr)**

Branch products		Supply Chain		Total	
195	128	119	186	309	310
25	3	22	31	46	438
170	136	15	163	263	311
	3	12	179	82	1
				45	
Q3	Q4	Q1	Q2	Q3	Q4
FY20		FY21		FY22	

The gross



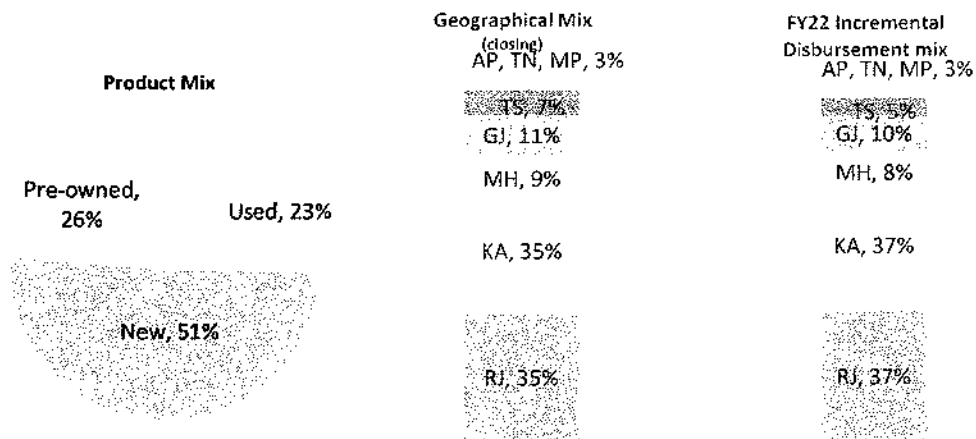
disbursements gradually picked up from second quarter as lockdown restrictions were relaxed and reached pre-Covid levels in Q3. During the year, Adani Capital disbursed loans aggregating Rs. 1,144 cr which compares with Rs. 511 cr in FY21. Incrementally, for term products, gross disbursement mix was secured MSME Loans (41%), Farm Loans (34%) and CV Loans (24%), aligned with our targeted mix.

With foundation necessary for a stronger growth - sales footprint, collection and legal team now in place, benefits should start accruing from following quarters.

### 3. Business Review

#### 3.1 Asset Portfolio Mix

Tractor Loans (Rs. 602 crore / 23,853 borrowers)



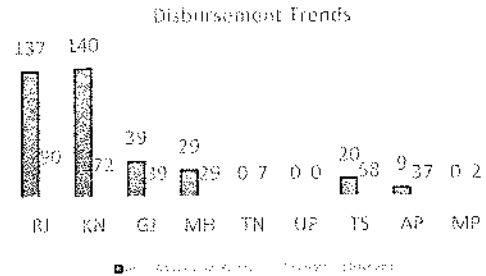
We follow a model-wise location specific dynamic business/product mix, based on the historical performance and real time on-ground feedback. Our sourcing philosophy emphasizes self-



sourcing, existing customer references and lays weightage to borrower experience, land holding, repayment track record.

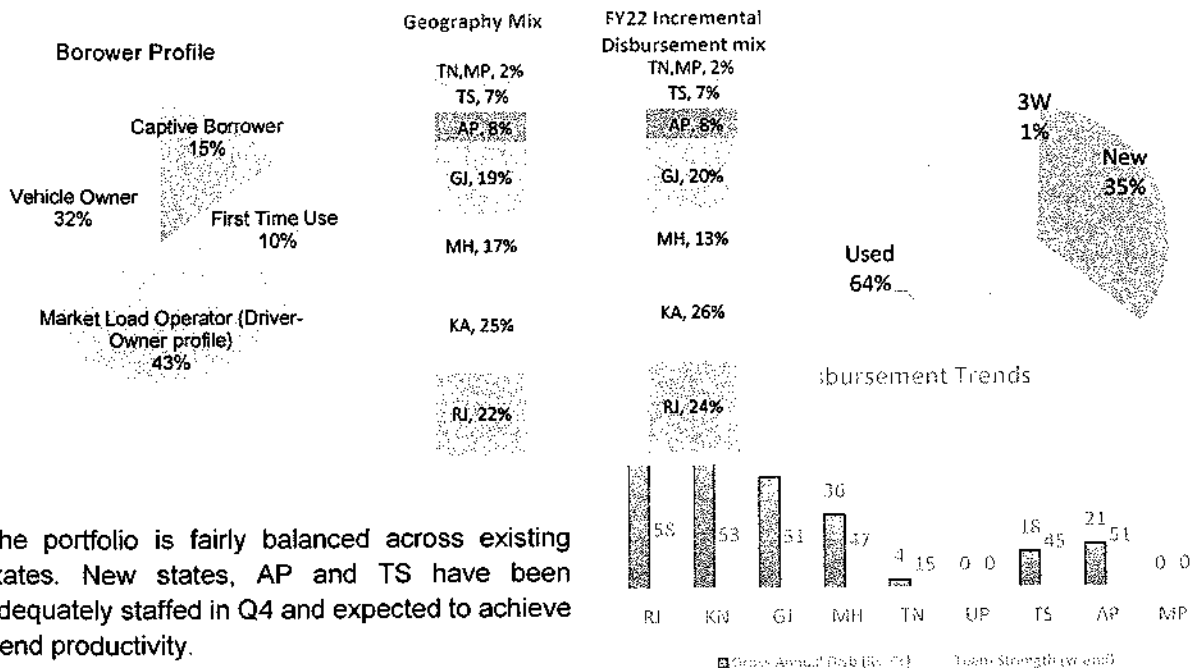
Overall, we retained balance in our new vs used/pre-owned product mix. Karnataka saw a surge in volumes and now contributes around 35% of the AUM alongwith Rajasthan. Share between states was 32% & 41% respectively last year. We expanded in strategic markets AP, Telangana and MP and are aiming for these states to contribute 20% of gross disbursements in FY23.

The portfolio quality held well during the year. Collection Efficiency (installment received for billing month/billing only for the month) dipped to 76% in May'21 (2<sup>nd</sup> wave impact) but improved and stayed around 85% throughout the year. The overdue loans (Stage 2 and above) were Rs. 13.8 crore or 2.45% of the book as of Mar'22. Approx 80% of the portfolio has never been delinquent.

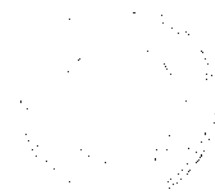


### Commercial Vehicle Loans (Rs. 697 crore / 11,162 borrowers)

Our focus is largely on small and light commercial vehicle which provide last mile connectivity. Individual owner drivers make up majority of our portfolio and the book has an average ticket size of our portfolio is c. Rs. 4.2 lakh.



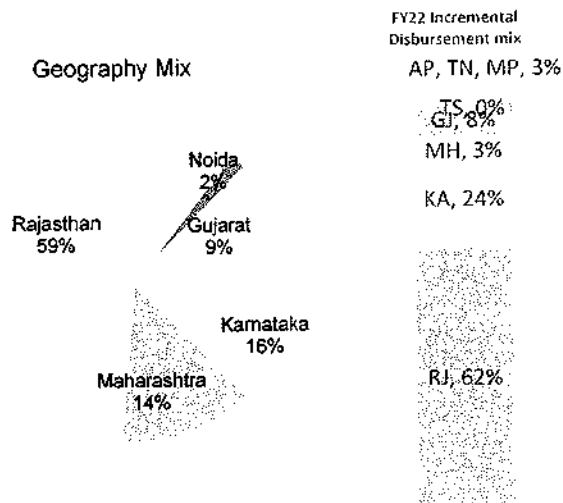
The portfolio is fairly balanced across existing states. New states, AP and TS have been adequately staffed in Q4 and expected to achieve trend productivity.



The commercial vehicle industry was adversely hit by the pandemic. The impact was more pronounced in the long haulage segment. With our focus on retail borrowers in tier 2 to tier 4 locations, minimized exposure in funding of Specialized Vehicle, M&HCV and passenger vehicles, our portfolio quality and performance was better than our peers. Monthly Collection Efficiency (installment received for billing month/billing only for the month) dipped to 73% in May'21 (2nd wave impact) but improved and stayed between 91-95% for the balance year. The overdue loans (Stage 2 and above) were Rs. 34.5 crore or 9.75% of the book as of Mar'22. Approx 76% of the portfolio has never been delinquent.

Albeit emanating global recession fears, the domestic, especially, rural consumption remains strong/steady and should improve earnings for the sector, gradually assuaging the excessive strain of the pandemic years.

Business Loans (Rs. 759 crore / 9228 borrowers)



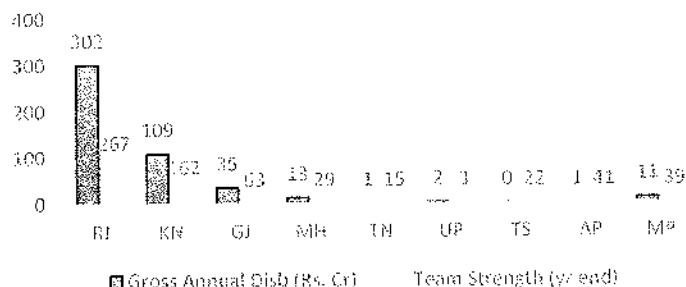
In line with our aim to support entrepreneurs, we provide fully collateralized small business loan to small and micro enterprise to help them grow their business - extension of shop, working capital requirement, buying of new equipment. With average ticket size of Rs. 10.5 lakh, approximately 20% of the loans are to essential services value chain - Grocery and Medical stores.

Last two years, we focused on Rajasthan followed by Karnataka as businesses in other states Maharashtra and Gujarat were languishing under effect of lockdowns. Rajasthan has seen the state's contribution increase from 40% to c. 59% of the book in FY22. This approach has delivered a strong performance and good quality book. Almost 92% of the portfolio have never been delinquent. Collection Efficiency (installment received for billing month/billing only for the month) dipped to 85% in May'21 (2nd wave impact) but improved and stayed around 95% for most of the year (97% in March'22). The overdue loans (Stage 2 and above) were Rs. 18.5 crore or 3.07% of the book as of Mar'22.

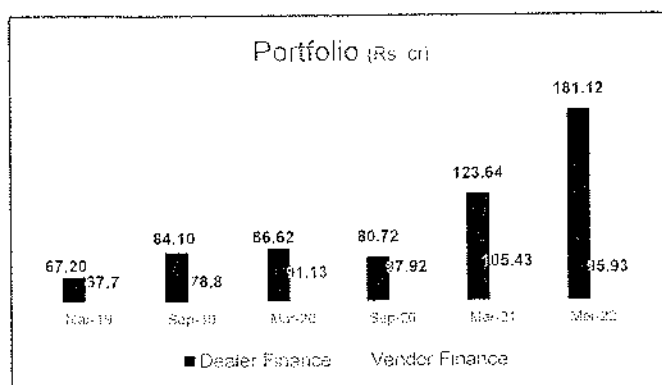


We now are re-enforcing teams/branches in other states KN, AP, TS, MH & GJ and will look to balance out the mix across all the states.

## Disbursement Trends



## Supply Chain Finance - Dealer Finance and Vendor Finance (Rs. 278 crore)



Our supply chain finance is an anchor driven program where the anchor involvement/commitment is high and ongoing. We provide short term finance to address working capital requirement of small and medium enterprises through our fully digital platform for end to end customer engagement

We have onboarded 36+ Anchors (2 Adani Group and 34 non-Group

Anchors) and have over 330 active MSME borrowers and in FY22 gross disbursements aggregated over Rs. 1,486 cr at yield of 14%.

## 3.2 Financial Performance Highlights

### AUM

AUM grew c.58% YoY from Rs. 1,292 cr as of Mar'21 to Rs. 2,050 cr (of which on-book loan assets is Rs. 1,902 cr) comprising of tractor loan (29%), CV loan (19%), MSME term loan (37%) and Supply chain financing (15%). We completed direct assignment transactions of c. Rs. 99 cr in FY22.

### Total Income

The portfolio growth was towards latter half of the FY and total income increase was 33% YoY, slower than AUM growth. Revenues increased from Rs. 190 cr in FY21 to Rs. 253 cr in FY22.

### Profitability



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The company is now consistently profitable for preceding 5 years which were marked with major market challenges for new entrants. Profitability was affected by 2 factors – cost associated with business expansion in existing + new states and pandemic related impact on credit cost and topline growth. 79 branches were added (125% increase over existing branch infrastructure) and over 1000 employees were recruited in existing and new locations.

- NIMs improved slightly to 10.31% aided by top line increase and improvement in borrowing costs;
- Pre-provisioning operating profit increased 36% to c. Rs. 41.6 cr (Rs. 30.6 cr in FY21). The net profit reduced to Rs. 7.1 cr in FY22 compared to Rs. 16.2 cr in FY21,
  - Opex increased by 39% (Rs. 75.6 cr in FY'21 to Rs. 105.2 cr in FY'22).
  - Write off of Rs 16.5 cr; Rs. 7.9 cr – 2 Supply Chain Finance accounts, Rs. 8.6 – Loss of repossession / write off during the year.

### Capital Adequacy

Adani Finserve Pvt Ltd, the holding company, infused equity of Rs. 150 cr in Q4 and Tier II sub-debt of Rs. 25 cr was issued in the Q3 attributing to strong capital adequacy levels. CRAR was 24.71% as of Mar'22 well above the RBI benchmark.

### Leverage

The borrowing nearly doubled from Rs.980 cr to Rs. 1890 cr this year. Company is well capitalized and conservatively leveraged NBFCs with Net worth of Rs. 512 Cr and D/E ratio of 3.7 times as of Mar'22.

### 3.3 Portfolio Quality: Movement of NPA, Provisions and Restructured Accounts

Adani Capital follows a 90-days past due definition (90 DPD) for NPA (default) classification since inception and our provisioning is higher than as prescribed under the RBI prudential norms for NBFCs.

#### Stagewise Provision summary

Asset portfolio	Loan Assets (Rs.cr)	% of total	Provision (Rs. cr)	Provision (%)
Stage 1 (0 - 30 dpd)	1,788.0	94.0%	12.1	0.7%
Stage 2 (31 - 90 dpd)	85.6	4.5%	1.6	1.9%
Stage 3 (90+ dpd)	28.4	1.5%	9.9	35.1%
<b>Total Loans and Advances</b>	<b>1,901.9</b>	<b>100%</b>	<b>23.6</b>	<b>1.2%</b>

- ECL provisions of c. Rs. 23.6 cr comprising of 1.2% of Loan Assets
  - additional management overlay provisions of Rs. 3.15 cr;



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- Delinquent, stage 2 & 3, assets were 6% of total assets in Mar'22 down from 7% in Mar'21;
- c. Rs. 16.5 cr, 2<sup>nd</sup> wave impacted portfolio, was written off
  - Rs. 7.9 cr pertained to Supply Chain portfolio (2 accounts)
  - Rs. 3.0 cr of discontinued unsecured MSME business loan and others
  - Rs. 5.6 cr was loss on sale of repossessed assets and loan writeoff;

### Restructured Portfolio

Rs. 44.1 cr or 314 cases were restructured under the RBI window to support borrower affected by second wave of the pandemic; Rs. 10.1 cr pertain to own portfolio and balance to acquired portfolio from Essel Finance.

Product	(Rs. Cr)	Cases (#)	Total Amount
CV Loans		62	3.4
MSME Loans (secured)		70	4.8
Supply Chain Finance		3	1.9
<b>Sub-total - Own Portfolio</b>		<b>135</b>	<b>10.1</b>
Acquired Portfolio: Essel Finance - MSME Loan (secured)		179	34
<b>Total</b>		<b>314</b>	<b>44.1</b>

The Gross NPA and Net NPA were 1.49% and 0.98% as of March 31, 2022 and a product wise numbers are summarised below,

Products	Portfolio O/s (Rs. cr)	Portfolio (%)	Avg. Ticket Size (Rs. Lakh)	NPA (Rs. cr)	NPA segment (%)
Tractor Loans	563	30%	3.3	6.3	1.12%
CV Loans	355	19%	4.6	7.6	2.14%
MSME Term Loans	605	32%	8.4	3.4	0.56%
Supply Chain Finance	277	15%	5.8	1.8	0.65%
<b>Sub-total - Own Book</b>	<b>1800</b>			<b>19.1</b>	<b>1.06%</b>
Acquired Portfolio - MSME Term Loans (secured) – Essel Finance	102	5%	12	9.3	9.12%
<b>Total- Adani Capital</b>	<b>1,902</b>			<b>28.4</b>	<b>1.49%</b>

RBI's clarification on the recognition and upgradation of the NPA's for NBFC's in its circular dated Nov 12<sup>th</sup>, 2021 effective from Oct'22, is likely to increase the company's NPA, but will not affect the delinquency proportion or the net credit loss (NCL) as a majority of the Stage 3 assets are being serviced. Our Collections/Sales team are adept at early delinquency management and have been re-organised for effective 3<sup>rd</sup> bucket resolution. Borrower education and call center follow-up is an ongoing process and should arrest the impact of the NPA recognition guidelines effective from HY FY23.

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## Capital

### 3.4 Key Financial Parameters

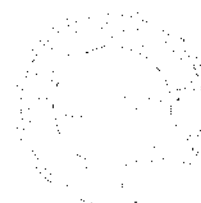
SUMMARY (Rs. Cr)	FY 2022	HY Sep21	FY 2021	
	(IndAS-Audited)	(IndAS-Audited)	(IndAS-Audited)	
<b>BALANCE SHEET</b>	AUM	2050.0	1467.0	1294.0
	Loan Assets*	1878.3	1324.2	1183.1
	Net Worth	512.0	355.2	350.2
	Borrowings	1896.5	1088.1	980.1
	Deposits/Investments	541.8	68.9	143.2
<b>INCOME STATEMENT</b>	Interest Income#	253.2	109.8	190.7
	(-) Interest Expense	107.4	46.6	85.1
	<b>Net Interest Income (NII)</b>	<b>145.7</b>	<b>63.2</b>	<b>105.6</b>
	(+) Non Interest Income	1.0	0.5	0.8
	(-) Operating Expenses	105.2	48.9	75.8
	<b>Pre-provisioning operating Profit (PPOP)</b>	<b>41.6</b>	<b>14.8</b>	<b>30.6</b>
	<b>Impairment</b>	<b>22.6</b>	<b>10.0</b>	<b>4.7</b>
	- ECL provision	6.0	4.1	2.8
	- Loss on repo / write-off	8.6	1.0	1.9
	- SCF write-off	7.9	5.0	0.0
	Depreciation	7.2	3.1	5.8
	<b>Profit Before Tax</b>	<b>11.9</b>	<b>1.7</b>	<b>20.1</b>
	Tax	4.8	0.4	3.8
<b>Profit After Tax</b>	<b>7.1</b>	<b>1.3</b>	<b>16.3</b>	
<b>KEY RATIOS</b>	CRAR	24.71%	22.18%	26.22%
	Net Debt/Equity Ratio	3.70	3.06	2.80
	Gross NPA % / Net NPA	1.49% / 0.98%	2.56% / 1.85%	1.38% / 0.68%
	Net Interest Income (NIM) (incl pf)	10.31%	10.09%	9.57%
	Cost/Income Ratio	72%	77%	71%
	Return on Assets (RoA)	0.52%	0.21%	1.47%

\*Including accrued interest, net of provisions

# Includes revenue from operations

### 3.4 Resource Mobilisation, ALM and Liability Management

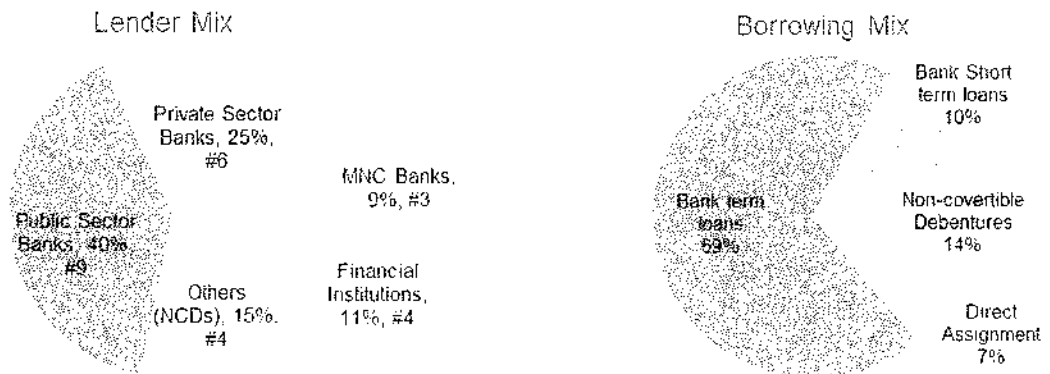
As our focus is on financing needs of micro and small enterprise, majority of our portfolio qualifies as 'Priority Sector'. This helps setting up new credit facilities from banks as they prefer lending to NBFCs/HFCs where end use of loan qualifies as a priority sector thereby addressing their priority sector lending target requirements.



## Resource Mobilisation

During the year, the company raised fresh limits of Rs. 1,074 cr from 13 lenders and issued NCDs of Rs. 133 cr (secured NCDs – Rs. 98 cr & subordinate Tier II bond – Rs. 35 cr). We continue to broaden our lender base and added xx new lenders. We now have 24 strong lenders relationships diversified across public and private domain.

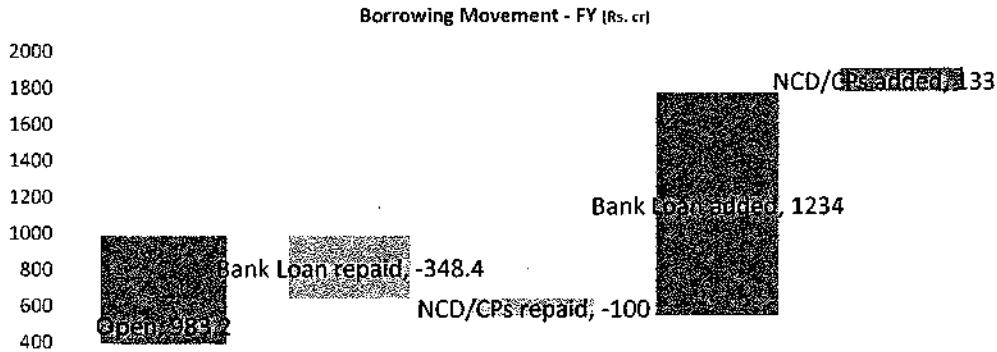
Term Loans from banks formed c. 69% of the mix, while capital market exposure contributed only 14%, which we intend to increase to 25% next FY.



Borrowings: Rs. 1,902 cr (FY 21@ Rs 983 cr)

	Rs crs
Opening Borrowing - Apr'21	983.2
Repayment - Bank Loan	348.4
NCD/CPs	100.0
Availment - Bank Loan	1234.0
NCD/CPs	133.0
Closing Borrowing - Mar'22	<b>1901.7</b>



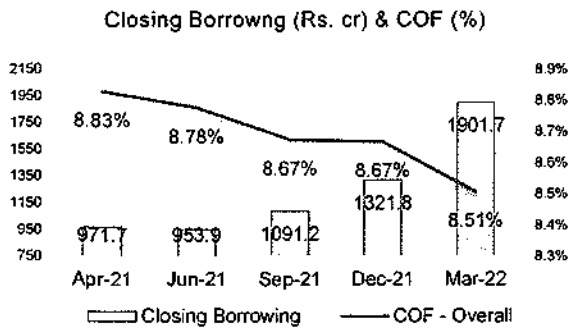


Tier II sub-debt of Rs. 35 crore was raised in the year.

**Direct Assignment –** During the year, we concluded assignment transactions of Rs. 98.7 cr across MSME loans and CV loans. With majority of our book qualifying as priority sector, appetite from public sector banks has been strong.

**Co-lending partnership –** Programs for Tractor Loans and CV Loans with 2 lenders (public & private sector bank) have gone live and we are seeing keen interest developing in such partnerships.

◦ **Cost of Funds**

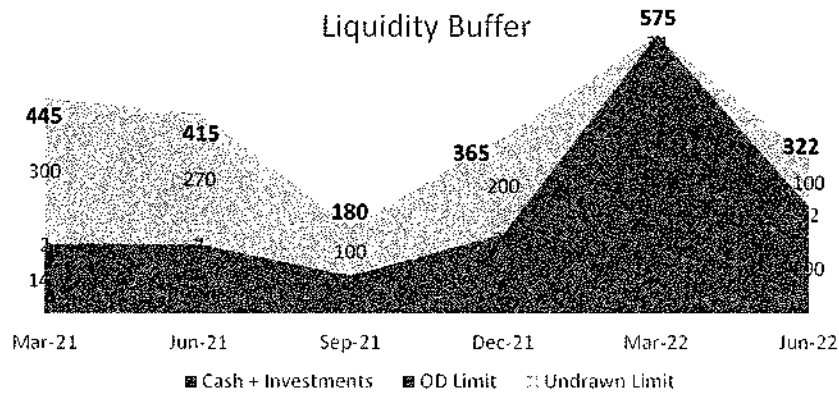


Our overall cost of funds improved by c. 32 bps in the year as we negotiated lower borrowing costs from new lenders and running off of initial higher cost debts. The borrowing rates on term loan were largely between 8.00 – 8.25%.

With macro economic developments, the borrowing costs on our outstanding loans and fresh loans are expected to increase and will affect our overall cost of funds in FY23. Most of the borrowing are MCLR linked and accordingly the borrowing costs are likely to reset by 50-75bps during the year by and focus for FY23 is arrest this increase by negotiating tighter credit spreads with existing lenders, shorter tenor borrowings.

◦ **Liquidity Buffer:**

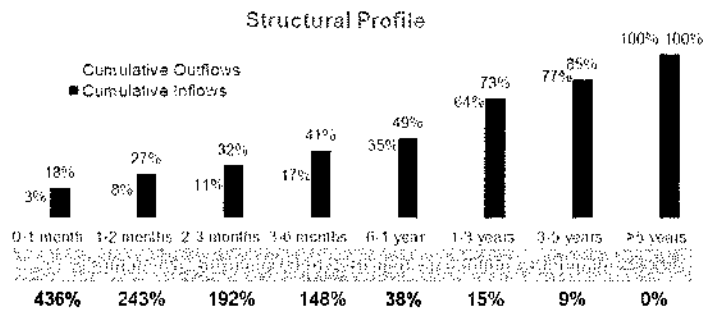




- During the year, adequate liquidity buffer was maintained to address any uncertainties with incipient COVID fear and support growing business requirement. The cash + investments buffer increased towards to the close of financial year on utilization to the timebound sanctions and also for business requirement in following quarter. Perennially after close of financial year, lenders are occupied in their yearend closure/assessments and fresh sanctions take time to come by, resulting in higher surpluses at close of a financial year.

• **Asset Liability Management**

Since inception, we have maintained a matched ALM structure with all borrowings in the 3-5 years tenor. There is no ALM mismatch; we have positive cumulative mismatch across all buckets up to one year



**Credit Rating**



CRSIL Ratings has retained company's long term credit rating at 'CRISIL AA -' (High Degree of Safety) with a stable outlook and highest short term rating (including Commercial Paper) at CRISIL A1+.

## 4 Risk Management

### 4.1 Risk Management Framework

Our Risk management framework has 4 pillars as below:

- Dynamic credit risk policy
- Underwriting standards
- Risk Analytics
- Collections management

#### Dynamic Credit Risk policy

Adani capital manages the credit risk through a balanced, structured credit policy framework - well-defined selection criteria, boundary conditions and deviations. Risk based approval authority is delegated by our Board of Directors and the Risk Management Committee and our risk governance framework ensures adherence to the approval matrix. The credit policy is very dynamic in nature and reviewed and calibrated regularly, based on the micro and macro industry changes.

#### Underwriting standards

The fundamentals of the underwriting regarding the credit, capacity, collateral and capital is ascertained through a well-trained team with adequate experience in respective product and geography. Most of the verifications - KYC, bank statements, Income Tax returns, property verifications, vehicle registration details are done digitally and part of the ever-evolving digital underwriting journey. The team is regularly trained on policy and overall risk management.

#### Risk Analytics

We have a comprehensive portfolio monitoring mechanism. Our Risk Analytics team uses historic information to extrapolate trends which presents opportunities to better identify, measure and mitigate risk. The team integrates multiple sources of data which includes internal –transactional and behavioural data, external data - credit bureau and market information. A well-tuned early warning system helps us identify and take preventive measures to arrest any deterioration of the portfolio. The Risk analytics team provides valuable feedback for Credit policy configuration.

Risk analytics support deeper customer insights for better decisioning by way of predictive and perceptive information.

Data drawn / inference help to predict risk from a micro and macro point of view.



## Collection management

With a strong emphasis on debtor management, we have a well-defined organization structure and SOPs for overdue accounts. We leverage technology for digital collection (multiple channels – NACH, e-Nach, UPI) and call center support for regular pre-presentation reminders, overdue follow-ups. Our rule-based collection management system provides a 360-degree visibility of customers to our field team.

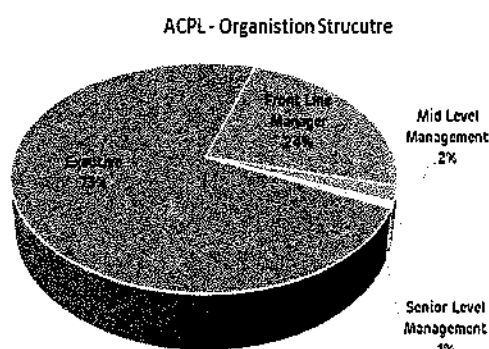
We have a strong dedicated debtor management team which includes a robust legal recourse cell.

## 4.2 Internal Audit and Control

Adani Capital has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

Adani Capital has robust internal audit program, where the Group level internal auditors conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems.

## 5 Human Resource



In line with our strategy of expanding PAN India footprints we continued expansion in manpower headcounts. Adani Capital had 1648 employees as on March 31, 2022.

We explore and use multiple sources to hire experienced and self-motivated professionals whilst maintaining source mix. We aim at selective hiring - hire right people for right profile, enabling us to bring in employees adding value. Contingent compensation and employment security are our other best practices. We believe in employee development

and growth of employees. Around 70% of the managerial opportunities are met internally.

Our people are our asset and we have created a flat and egalitarian organization. Employee security, defined career path, regular learning, trainings, growth opportunities and recognitions are central in our human resources framework.



Continuous learning is our mantra. We continued to deploy robust learning programs through virtual training sessions and digital learning to ensure continuous development of our employees. Training program covered First Time Manager, Remote Team Management Skill, Setting Priorities, Effective Review Mechanism, Managing Conflict, Time Management and e-mail Etiquettes, lending Operations, Documentation, KYC & AML Policy, IT System & Security, POSH and Accounts among others.

## 6 Outlook of the Company

FY'23 has started with a confidence and optimism among general population. Although risk of a fourth wave exists, adequate/successful vaccination drive, improved immunity levels and learning co-existence with pandemic within the population should allow a normal, uninterrupted business year.

Adani Capital's aim is to support small and micro entrepreneurs (farmers, transporters and small business owners) by offering customized financing solutions leveraging technology.

- Branch/team expansion phase has been completed at the beginning of the CY23 and we are now focused to improve productivity and consolidate position in our existing locations.
- Improve sourcing through alternative lead referral channels (non-DSA) – QR codes, CSC partnership, lender partnership programs.
- End to end digital process right from onboarding to sanction to disbursement using tele verification, rule engine for bureau score/underwriting, quick valuation of security
- Leverage technology to improve the quality of underwriting and TAT
- Review & benchmark performance at a business executive, branch and segment level to increase productivity
- Focus on people, process, productivity and profitability

## 7 Cautionary Statement

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.



## Board's Report

To,  
The Members  
Adani Capital Private Limited

Your Directors' are pleased to present the Annual Report of your Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS

Summary of Financial Results for the year ended 31<sup>st</sup> March 2022 is as under:  
(Amount Rs. In Million)

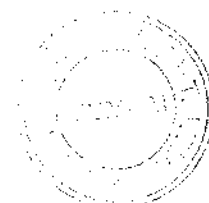
Sr. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Gross Income	2541.95	1914.76
2	Finance Cost	1074.14	850.90
3	Impairment on Financial Instrument	225.63	47.03
4	Employee Benefit Expenses	790.30	546.53
5	Depreciation, amortisation and impairment	70.98	57.54
6	Other Expenses	261.34	211.53
7	Net Profit Before Tax	119.56	201.23
8	Provision for Taxation	47.63	38.46
9	Net Profit After Tax	71.93	162.77
10	Total Comprehensive Income	75.81	162.54
11	Transfer to Statutory reserve created u/s 45-IC of RBI Act	14.39	32.55

### DIVIDEND

No Dividend was declared for the current financial year due to conservation of Profits to meet future business requirements of the Company.

### INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

The information on overall industry structure, economic developments, performance and state of affairs of the Company, risk management systems, impact of COVID-19 on Non-Banking Financial Company (NBFC) sector and



operations of the Company is given in the Management Discussion & Analysis Report forming part of Annual Report of the Company.

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year under review, your Company earned the gross income of Rs. 2,541.95 million as against Rs. 1,914.76 million in the previous year. The total expenditure during the year under review was Rs. 2,422.39 million as against Rs. 1,713.53 million in the previous year. The Total Comprehensive Income was Rs. 75.81 million as against Rs. 162.54 million in the previous year.

## CAPITAL STRUCTURE

### Authorised Share Capital

During the year under review, the Company has increased its Authorised Share Capital from Rs. 200 million to Rs. 300 million as approved at the Extra-Ordinary General Meeting held on 28<sup>th</sup> March 2022. This allowed the Company to raise more fund by way of issuance of equity shares.

The Authorised share capital of the company for the year ended 31<sup>st</sup> March 2022 is Rs. 300 million (Rupees Thirty Crores) divided into 30 million (Three Crores) Equity Shares of Re. 10/- each.

### Paid-up Share Capital

During the year under review the Company has issued and allotted 54,54,545 equity shares of Rs. 10 each, at a premium of Rs. 265 per share on 31<sup>st</sup> March 2022.

The Paid share capital of the company for the year ended 31<sup>st</sup> March 2022 is Rs. 227.55 million divided into 22.75 million fully paid-up Equity Shares of Re. 10/- each.



### LOAN OUTSTANDING

During the financial year 2021-22, the Company's outstanding loan book amount is Rs. 19,019.30 million as against Rs. 11,829.29 million for the previous financial year ended 2020-21.

### CREDIT RATINGS

The Company's borrowings enjoy the following Credit Ratings:

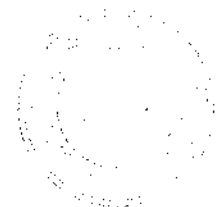
Nature of borrowing	Rating / Outlook
	CRISIL
Short Term Bank Loans	CRISIL A1+
Long Term Bank Loans	CRISIL AA-/Stable
Commercial Paper	CRISIL A1+
Short term Non - Convertible Debentures	CRISIL A1+
Long term Non-Convertible Debentures	CRISIL AA-/Stable
Subordinated Tier II debentures	CRISIL AA-/Stable

### DEBENTURES

During the year under review, the Company has raised Rs. 1,330 /- million through Non-Convertible Debentures ("NCDs") on private placement basis including Subordinated Tier II debenture of Rs 350 million. As on 31<sup>st</sup> March 2022, the outstanding NCDs stood at Rs. 2,849 million.

Credit Rating assigned to the NCDs is mentioned above. During the financial year under review, interest on Non-Convertible Debentures issued on private placement basis was due and paid on due date and there were no instances of interest amount not claimed by the investors or not paid by the Company.

Your Company being NBFC, is exempted from the requirement of creating Debenture Redemption Reserve (DRR) on privately placed debentures. Therefore, no DRR has been created for the Debentures issued by your Company on private placement basis.



Disclosure under Master Directions issued by RBI for Non-Convertible Debentures:

- The total number of non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption: Rs. Nil
- The total amount in respect of such Debentures remaining unclaimed or unpaid beyond the date of such Debentures become due for redemption: Rs. Nil

## DEBENTURE TRUSTEE

The details of the Debenture trustees of the Company are as under:

**Axis Trustee Services Limited**  
Axis House,  
Bombay Dyeing Mills Compound,  
Pandurang Budhkar Marg, Worli,  
Mumbai - 400025,  
Maharashtra  
Email: [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in)  
Website: [www.axistrustee.in](http://www.axistrustee.in)

## LOANS FROM BANKS / FINANCIAL INSTITUTIONS

During the year under review, the Company has availed Term Loans/WCDL/OD facilities of Rs. 13,885/- million from various banks / Financial Institutions. As on March 31, 2022, the outstanding loans stood at Rs. 16,116.37 million

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any public deposits within the meaning of the Chapter V of the Companies Act, 2013 and rules made there under as well as not accepted any public deposit within the meaning of the RBI Direction, as the Company is registered as NBFC Company not accepting Public Deposits.



## NON- PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your company adhered to the guidelines issued by Reserve Bank of India (RBI), as amended from time to time. The Company has created provisions for contingencies on Standard Assets in accordance with the RBI Directions.

The amount of Gross Non- Performing Assets (NPAs) as at March 31, 2022 are Rs. 283.82 million, which is equivalent to 1.49 % of the loan portfolio of the Company, as against Rs. 163.20 million i.e., 1.38% of the portfolio as at March 31, 2021. The Net NPA as at March 31, 2022 is Rs. 184.34 million i.e., 0.98% of the loan portfolio as against Rs. 80.73 million i.e., 0.69% of the portfolio as at March 31, 2021. The total cumulative provisions towards loan and other assets as at March 31, 2022 is Rs. 236.52 million as against 176.63 million in the previous year.

In order to prevent frauds in loan cases involving multiple lending from different banks / NBFCs, the Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 20 of the SARFAESI Act 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. Accordingly, your Company is duly registered with CERSAI.

## RISK MANAGEMENT FRAMEWORK

The Company is guided by the Risk Management Framework Policy framed in accordance with the Directions issued by Reserve Bank of India.

The risk strategy laid down by your Company helps foster a disciplined culture of risk management and control. In conjunction with these practices, your Company intends to optimise its capital needs through growth, by achieving highest returns on capital employed while managing risks appropriately.

Your Company continuously monitors loan portfolio. Portfolio level delinquency metrics are tracked at regular intervals with focus on detection of early warning signals (EWS) of stress. These limits are periodically reviewed based on changes in the macro-economic environment, regulatory environment, and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in detail to suggest strategies, considering both risks and opportunities. Corrective action, if required, is taken well in advance.

### Corporate office:

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## COMPLINACE WITH REGULATORY NORMS:

Your Company is a Non-Deposit Taking Systematically Important Non-Banking Financial Company holding Certificate of Registration number B.0100567. Your Company is also registered as Corporate Agent (Composite) holding Certificate of Registration number CA0628 with Insurance Regulatory Development Authority

### A. PRUDENTIAL NORMS FOR NON-BANKING FINANCIAL COMPANIES

The Company is in compliance with the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, as issued by the Reserve Bank of India, as may be applicable to the Company.

### CAPITAL ADEQUACY RATIO (CAR) / CAPITAL TO RISK ASSETS RATIO (CRAR)

Capital Adequacy Ratio is also one of the guidelines provided by the RBI to measure the amount of capital, an NBFC retains compared to its risk. The Capital Adequacy Ratio set standards for NBFCs by looking at a NBFCs ability to pay liabilities, and respond to credit risks and operational risks. An NBFC that has a good CAR has enough capital to absorb potential losses. Thus, it has less risk of becoming insolvent and losing lenders' money.

As per RBI Directions the Company is required to maintain a minimum capital adequacy ratio of 15%.

The Capital Adequacy Ratio (CRAR) of your Company as at 31<sup>st</sup> March, 2022 stood at 24.71%., which includes CRAR of Tier-I Capital at 22.49% and CRAR of Tier-II Capital at 2.22%.

### SPECIAL RESERVE (STATUTORY RESERVE CREATED U/S 45-IC OF RBI ACT)

Pursuant to the provisions of section 45-IC of RBI Act, the Company is required to create a Special Reserve and transfer therein a sum not less than 20% of its Net-Profit, every year.

During the reporting financial year, your company has transferred the amount of 14.39 million in Special Reserve, as per the requirement of the section 45-IC of RBI Act. The closing Balance of the said reserve as on 31<sup>st</sup> March 2022 is stood at Rs. 66.29 million.

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## COMPLIANCE WITH CRITICAL POLICIES AND CODES

Your Company has in place a Fair Practices Code (FPC), as required by RBI, which includes guidelines on appropriate staff conduct when dealing with the customers and on the organisation's policies vis-à-vis client protection.

Your Company has in place a Board approved Know Your Customer & Anti Money Laundering Policy (KYC & AML Policy) and compliance with the said Policy are adhered with.

The Company has in place a Risk Containment Policy to establish an anti-fraud culture and promote consistent organizational behaviour by providing guidelines to aid in fraud detection and prevention. It will also communicate important deterrence message to staff and third parties that the company is committed to a zero-tolerance approach to any fraud committed.

To ensure the redressal of Grievance of Customers, your Company has in place a Grievance Redressal Policy in place, which is available on the website of the Company i.e., [www.adanicapital.in](http://www.adanicapital.in). The said Policy prescribed the detailed guideline and Turn Around Time (TAT) to handle and resolve the Customer Complaints.

The Reserve Bank of India Act empowers RBI to levy a penalty on NBFCs for contravention of the Act or any of its provisions. Your Company has complied with the said provisions of all such directions, guidelines and provisions etc. and accordingly RBI has not levied any penalty on your Company during the year.

## HOLDING/SUBSIDIARY COMPANY

The Company has no subsidiary company. Adani Finserve Private Limited is holding Company, which holds 100% shareholding in the Company.

During the year under review, no Company become or ceased to be the Subsidiary, joint venture, or associate company.



## DIRECTORS OF THE COMPANY

The composition of the Board of the company is as follows: -

- Mr. Gaurav Gupta - Managing Director & CEO
- Mr. R. M Malla - Independent Director
- \*Mrs. Padma Chandrasekaran - Independent Director
- Mr. Sagar Adani - Director

\* Ms. Padma Chandrasekaran is appointed as an Additional Director (Independent Category) w.e.f. 07th April, 2021 and her appointment was regularised at the Annual General Meeting held on 31<sup>st</sup> August, 2021.

Your Company being Private Limited Company, none of the Directors are required to retire by rotation.

The Company has received necessary declaration from Independent Director under Section 149(7) of the Companies Act, 2013, that she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. Further the Company has also received the Declaration and Undertaking from Directors, as per the requirement of "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

## KEY MANAGERIAL PERSONNEL

Following officer is the Key Managerial Personnel of the Company as per the Requirement of the Section 203 of the Companies Act, 2013:

1. Mr. Gaurav Gupta - Managing Director & CEO
2. Mr. Viral Shah - Chief Financial Officer
3. \*Mr. Jitendra Chaturvedi - Company Secretary & Compliance Officer

\*Mr. Bhavik Shah has resigned, and Mr. Jitendra Chaturvedi has joined as Company Secretary & Compliance Officer pursuant to the Board Resolution dated 11<sup>th</sup> November 2021.

## FORMAL ANNUAL EVALUATION:

Company evaluated the performance of its Directors. However, as your Company is neither a Listed Company nor a public company having a paid up capital of Rs. 25

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crores or more, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors is not required to be disclosed.

## **POLICY AGAINST SEXUAL HARASSMENT**

Company duly follows the Policy on prevention of sexual harassment and the said policy seeks to protect women employees from sexual harassment at the place of work. The primary objective of the same is to safeguard the interest of female employees in the Company and also provides for punishment in case of false and malicious representations. The Company spread awareness on the same by providing training to its employees at regular intervals.

During the year, no complaint has been received by the Sexual Harassment Committee.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Since the Company is a Non-Banking Finance Company, the disclosure regarding particulars of loans, guarantees given and security provided in the ordinary course of business is exempted under the provisions of Section 186 (11) of the Act. Details of Investments made by the Company is disclosed in the Financial Statements forming part of Annual Report.

## **NUMBER OF BOARD MEETINGS**

During the period under review 8 Board Meetings were held as per the following details:

1. 7<sup>th</sup> April 2021
2. 18<sup>th</sup> May 2021
3. 18<sup>th</sup> June 2021
4. 30<sup>th</sup> July 2021
5. 26<sup>th</sup> August 2021
6. 11<sup>th</sup> November 2021
7. 22<sup>nd</sup> November 2021
8. 14<sup>th</sup> February 2022

**Mr. Gaurav Gupta chaired the above-mentioned Board meetings.**

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## DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: —

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2022 and of the profit and loss of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the Directors had prepared the annual accounts on a going concern basis.
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to Financial Statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year under review, the Internal Financial Controls were operating effectively, and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

### AUDITORS

Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), issued by Reserve Bank of India vide its Circular dated April 27, 2021, the NBFCs having asset size of not less than Rs. 1,000 Crores are mandatory required to follow the aforesaid guidelines including appointment of the Statutory Auditors of the Company for a Continuous period of 3 years, subject to the Audit Firms, satisfying the eligibility norms, each year.

An audit firm would not be eligible for re-appointment in the same Entity for six years (two tenures) after completion of full or part of one term of the audit tenure.

Further, the RBI had given the timeline upto H2 (Second Half) of FY 2021-22 to adopt the aforesaid guideline.

The members may note that, S R BATLIBOI & CO. LLP, Chartered Accountants were initially appointed as Statutory Auditors at the EGM of the Company held on March 30, 2017 for period of one financial year. They were further re-appointed at the AGM of the Company held on September 28, 2017, for a period of five years i.e. upto the conclusion of AGM of the Company to be held in the year 2022.

As the Auditors have completed the period of 3 years of their appointment, it was required to rotate them and appoint a new Statutory Auditors, pursuant to the aforesaid guidelines read with the applicable provisions of Companies Act, 2013.

Therefore on the recommendation of the Audit Committee, members of the Company in the Extra-Ordinary General Meeting held on 26th November, 2021 approved the appointment of Nangia & Co. LLP, Chartered Accountants, having FRN 002391C/N500069, as a Statutory Auditors of the Company, for a period of three years i.e. upto the conclusion of 8th AGM of the Company and subject to the aforesaid Audit firm satisfying the eligibility norms, as per the aforesaid RBI Guidelines, each year and subject to the confirmation/approval of the appointment of the said Audit Firm by the Members of the Company at the ensuing Annual General Meeting (AGM) i.e. 6th AGM.

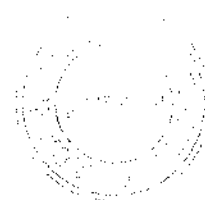
### AUDITORS REPORT

The Auditors Report to the Members on the Accounts of the Company for the financial year ended March 31, 2022, does not contain any qualification and is self-explanatory, hence does not call for any comment of Board.

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## VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act (as amended from time to time), the Company has in place Vigil Mechanism / Whistle Blower Policy ("Policy") to enable Directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior / conduct, etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee / Board from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and same is available on the website of the Company.

## COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## CORPORATE SOCIAL RESPONSIBILITY:

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge-based economy.

The Company has contributed INR 13.25 lakhs (being 2% of average net profits for last 3 years) towards CSR activities in FY 2021-22 through the Adani Foundation, as per the applicable provisions of Companies Act, 2013 and CSR Policy of the Company. The Annual Report on CSR containing the details on CSR spending is annexed as Annexure-1.

The Corporate Social Responsibility Committee consists of the following Members:

- Mr. Gaurav Gupta- Managing Director & CEO
- Mr R M Malla – independent Director
- Mr. Sagar Adani- Director

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The Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company (<https://www.adanicapital.in/Downloads>)

**Terms of reference of the CSR Committee: -**

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a)
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Update the Board on the implementation of various programmes and initiatives.

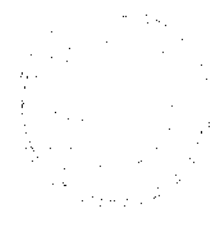
## **AUDIT COMMITTEE**

The Audit Committee consists of the following members:

- Mr. R M Malla – Independent Director
- Ms. Padma Chandrasekaran- Independent Director
- Mr. Gaurav Gupta- Managing Director & CEO

**Terms of reference of the Audit Committee: -**

- (a) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (b) review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (c) examination of the financial statement and the auditors' report thereon.
- (d) approval or any subsequent modification of transactions of the company with related parties.
- (e) scrutiny of inter-corporate loans and investments.
- (f) valuation of undertakings or assets of the company, wherever it is necessary.
- (g) evaluation of internal financial controls and risk management systems.
- (h) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, RBI guidelines or any other regulatory authorities from time to time.



## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of the following members.

- Mr. R M Malla – Independent Director
- Mrs. Padma Chandrasekaran- Independent Director
- Mr. Sagar Adani- Director

Terms of reference of the Nomination and Remuneration Committee: -

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- (d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- (e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (f) To devise a policy on Board diversity.
- (g) To develop a succession plan for the Board and to regularly review the plan
- (h) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, RBI or any other regulatory authorities from time to time.

## COMPANY'S POLICY RELATING TO APPOINTMENT OF DIRECTORS, KMP, PAYMENT OF REMUNERATION

The company pursuant to the provisions of Section 178 of the Companies Act 2013 has formulated and adopted a Nomination & Remuneration Policy which is available on the website of the Company i.e. <https://www.adanicapital.in/Downloads>

## STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

The Company duly ensures the Fit and Proper Criteria, as prescribed by RBI read with the provisions of Companies Act, 2013 and other applicable provisions of law, regarding the appointment of Directors. Your Directors, including the Director

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appointed during the FY 2021-22, also submitted the required Disclosures and Undertakings to confirm the aforesaid compliance.

### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no frauds as reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

### EMPLOYEE STOCK OPTION SCHEME (ESOS)

Members of the Company has approved Employee Stock Option scheme for attracting, retaining and rewarding Employees of the Company. Board of the Company has granted the options to the eligible employees of the Company, as detailed hereunder:-

Sr. No.	Particulars	Employee Stock Option Scheme
I.	Options granted	Refer to the Note No. 55 of the Financial Statements
II.	The Pricing formula	
III.	Options vested	
IV.	Options exercised	

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions entered into during the financial year were in the ordinary course of business and on an arm's length pricing basis and none of the transactions with the related parties fall under the scope of Section 188(1) of the Companies Act, 2013. In line with the requirements of the Act, the Company has formulated the Related Party Transaction Policy which is also available on the Company's website (<https://www.adanicapital.in/Downloads>).

The Directors draw attention of the Members to Note No. 49 to the Financial Statements which sets out related party transactions' disclosures.



During the year under review, there were no material contracts or arrangements, or transactions entered into by the Company with related parties. Form AOC-2 is enclosed as Annexure-2 to this report.

## **PARTICULARS OF REMUNERATION OF EMPLOYEES:**

The Company does not fall within the purview of the provisions of disclosure of Remuneration under section 197(12) of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **ANNUAL RETURN**

The Annual Return of the Company is available on the website of the Company at <https://www.adanicapital.in/Downloads>

## **HUMAN RESOURCE DEVELOPMENT**

Human Resource Development is considered important for effective implementation of business plans. Constant endeavours are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. During the reporting year, in-house training programmes were provided to employees, inter alia, in Lending Operations, Documentation, KYC & ALM Policy, IT System & Security etc. Your Company's total headcount stands at 1,648 employees as on 31<sup>st</sup> March 2022.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3)(m) of the Act, the rules made there under relating to conservation of energy, technology absorption do not apply to your Company as it is not a manufacturing Company. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources.

Details relating to Foreign Exchange Inflows and Outflows is given herein below:

Rs. in Millions

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign Currency Transaction (Outflow)	2.37	2.51
Receivable and Payable outstanding in foreign currency	-	-

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR: NIL

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF: NIL

To ensure the compliance with all the applicable provisions of Law, your Company has availed the services of the Compliance Module software in the name of "Legatrix Compliance Solution". This is an IT-enabled legal support service relating to legal and regulatory compliances. The Company monitors and ensures the compliance of all the applicable laws, through this Compliance Solution.

### SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Chirag Shah & Associates, Company



Secretaries in whole-time practice, based in Ahmedabad, to carry out the Secretarial Audit of the Company for the year under consideration i.e., FY 2021-22.

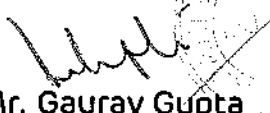
There are no qualifications, reservations, adverse remarks or disclaimers, mentioned in Secretarial Audit Report provided by the aforesaid Secretarial Auditors in the prescribed format i.e., MR-3, since the Company has ensured compliance of all the applicable regulatory and statutory provisions of law(s). The report of the Secretarial Auditors is enclosed as Annexure-3.

Further, as there is no qualification, reservation or adverse remark or disclaimer is given by the Statutory Auditors in their Audit Report and by the Company Secretary in practice in their Secretarial Audit Report, hence there is no explanation or comments have been given by the Board.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the Reserve Bank of India, Insurance Regulatory and Development Authority of India, Office of Registrar of Companies, BSE Ltd, the Company's Customers, Creditors/Bankers, Members, Vendors and others for the continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels. The Directors would also like to thank the Credit Rating Agencies for their co-operation.

For and on behalf of the Board of Directors of  
Adani Capital Pvt. Ltd.

  
Mr. Gaurav Gupta  
Managing Director & CEO  
DIN- 01669109

Place: Mumbai  
Date: 23<sup>rd</sup> May 2022

Annual Report on CSR Activities  
for Financial Year  
2021-22

**1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.**

Board in its Meeting dated 29th June 2018 adopted the CSR Policy of the Company in compliance with section 135 of the Companies Act.

- a) The Company endeavours to contribute to CSR activities as specified under Schedule VII of the Companies Act, 2013. A corpus with an amount at least 2% of the Average Net Profits\* of the Company made during the 3 (Three) immediately preceding financial years will be made for this purpose as per the provisions of the Act and rules made there under.
- b) As a part of CSR program, the Company plans to focus on the activities as defined in the schedule VII of the Companies Act, 2013.

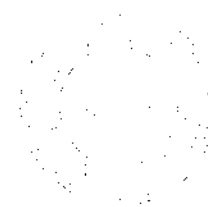
Implementation of CSR Projects The Company shall implement the identified CSR Projects by the following means:

**I. Direct Method**

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through its Foundation or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

**II. Indirect Method**

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:



- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided
- The Agency has an established track record of at least three years in undertaking similar programs or projects, and
- The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.

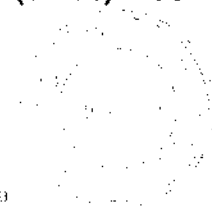
2. The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

### 2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Gaurav Gupta	Managing Director & CEO	1	1
2	Mr. R.M. Malla	Independent Director	1	1
3	Mr. Sagar Adani	Director	1	0

### 3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

- 1) Company's CSR Policy is available at the following weblink:-  
<https://www.adanicapital.in/Downloads>
- 2) Composition of CSR Committee is provided in point no. 2 of this report, which also forms part of Annual Report. The report is also available on the website of the Company.
- 3) The Company has contributed Rs. 13.25 lakh through Adani Foundation. With an experience of working with communities for more than 25 years, the Adani Foundation is increasingly focused on scaling integrated development efforts across India. It believes that everyone, regardless of who and where they are, deserves equitable access to opportunities and a fair chance to a better quality of life. Over the years, the Foundation has responded to society's changing needs in alignment with Sustainable Development Goals (SDGs) – be



# adani

## Capital

it sustainable livelihoods, health and nutrition, and education for all or addressing environmental concerns – with an enhanced focus on the empowerment of women. Today, our reach covers 3.7 million people in 2,409 villages across 16 states in India.

In March 2020, the outbreak of coronavirus marked the beginning of an unprecedented time in modern history. The Foundation's relief efforts continued into FY 2021-22 to safeguard communities amidst grave adversities brought upon by subsequent pandemic waves. As the situation continued to evolve, the CSR activities pivoted their everyday processes for building back a more resilient and inclusive society.

The contribution has been utilized by Adani Foundation for implementing the following intervention.

❖ **EDUCATION: Supporting Infrastructure Facilities of Adani International School**

Adani International School is a new hub of experiential learning that focuses on children's overall intellectual, physical, emotional and social development. Located in Adani Shantigram, Ahmedabad, its vision is to create state-of-the-art education infrastructure that contributes towards building future generations that are inspired to participate in our core cause of nation-building and pushing India's global ambitions.

❖ **COVID Relief: Providing Food (1000 Plates) in Ahmedabad**

In Ahmedabad at four "Aahar Kendra" Centres free, nutritious meals were provided. This was to address the loss of livelihoods amongst the underprivileged sections of the society

4. **PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT):** Not Applicable
5. **DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:** Not Applicable.
6. **AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) RS. IN LAKH:** 662.16
7. **A) TWO PERCENT OF AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) (RS. IN LAKH):** 13.25

Adani Capital Pvt Ltd  
One BKC, C-Wing, 1004/5, 10th Floor  
Bandra Kurla Complex, Bandra East  
Mumbai 400 051  
Maharashtra, India  
CIN: U65990GJ2016PTC093692

Tel +91 22 6241 1200  
Fax +91 22 2652 0650  
contact.acpl@adani.com  
www.adanicapital.in

Registered Office: Adani House, Nr Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India

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Capital

(B) SURPLUS ARISING OUT OF THE CSR PROJECTS OR PROGRAMMES OR ACTIVITIES OF THE PREVIOUS FINANCIAL YEARS: Not Applicable

(C) AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY: Not Applicable

(D) TOTAL CSR OBLIGATION FOR THE FINANCIAL YEAR (7A+7B-7C) (RS. IN LAKH): 13.25

8. (A) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
13,25,000	Nil	Nil	Nil	Nil	Nil

(B) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.

Adani Capital Pvt Ltd  
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## Capital

1.	Supporting Infrastructure Facilities of Adani International School	VII (ii)	Yes	Gujarat	Ahmedabad	2 Years	11,00,000	11,00,000	0	No	Adani Foundation	CSR0000265
	<b>Total</b>						<b>11,00,000</b>	<b>11,00,000</b>	<b>0</b>			

**(C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Providing Food during Corona 1000 Plates	VII (i)	Yes	Gujarat	Ahmedabad	1,94,000	No	Adani Foundation	CSR00000265
	<b>Total</b>					<b>1,94,000</b>			

**(D) AMOUNT SPENT IN ADMINISTRATIVE OVERHEADS: Rs. 31,000**

**(E) AMOUNT SPENT ON IMPACT ASSESSMENT, IF APPLICABLE: Not Applicable**

**(F) TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (8B+8C+8D+8E): Rs. 13,25,000.**

Adani Capital Pvt Ltd  
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## Capital

**(G) EXCESS AMOUNT FOR SET OFF, IF ANY: Not Applicable**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

**9. (A) DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: Not Applicable**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						



Adani Capital Pvt Ltd  
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## Capital

(B) DETAILS OF CSR AMOUNT SPENT IN THE FINANCIAL YEAR FOR ONGOING PROJECTS OF THE PRECEDING FINANCIAL YEAR(S): Not Applicable


(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
	Total							

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR: Not Applicable  
(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5): Not Applicable

For Adani Capital Pvt. Ltd.

  
Mr. Gaurav Gupta  
Managing Director & CEO  
DIN: 01669109

Date: 23<sup>rd</sup> May 2022

Adani Capital Pvt Ltd  
One BKC, C-Wing, 1004/5, 10th Floor  
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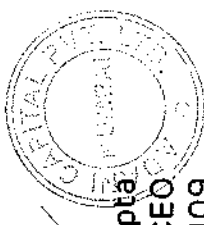
Registered Office: Adani House, Nr Mithakhali Circle, Navrangpura, Ahmedabad 380 009, Gujarat, India

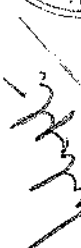


1. Details of contracts or arrangements or transactions not at arm's length basis  
NOT APPLICABLE
2. Details of material\* contracts or arrangement or transactions at arm's length basis  
NOT APPLICABLE

**Date:- 23<sup>rd</sup> May 2022**

For and on behalf of the Board of Directors of  
Adani Capital Pvt. Ltd.



  
Mr. Gaurav Gupta  
Managing Director & CEO  
DIN- 01669109

Corporate office:  
Adani Capital Private Limited  
1004/5, 10<sup>th</sup> Floor, C-Wing, One BKC  
C-66, G-Block, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Maharashtra, India  
CIN: U65990GJ2016PTC093692

Registered Office: Adani House 56, Shrimali Society Navramnura Ahmedabad 380 009, Gujarat, India

Registered Office: Adani House 56, Shrimali Society Navramnura Ahmedabad 380 009, Gujarat, India





## Annex-3

### CHIRAG SHAH & ASSOCIATES

Company Secretaries

1213, Ganesh Glory, Nr. Jagatpur Crossing,  
Besides Ganesh Genesis,

Off. S.G. Highway, Ahmedabad - 382 481.

Ph.: 079-40020304, 6358790040/41/42

E-mail : chi118\_min@yahoo.com

Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel)  
Rules, 2014]

To,  
The Members,  
**Adani Capital Private Limited**  
Adani House, 56 Shrimali Society,  
Navrangpura, Ahmedabad 380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Adani Capital Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The physical inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:-**Not Applicable to the company during the Audit period;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:-**Not Applicable to the company during the Audit period; and**
  - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:-
- (vi). Laws specifically applicable to the industry to which the company belongs, as Identified by the management, that is to say:
- a. Reserve Bank of India, 1934
  - b. Prevention of Money-Laundering Act, 2002.
  - c. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with Stock Exchange(s):-



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that,** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

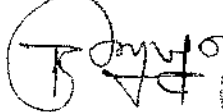

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that,** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the year Company has passed following special resolutions;

1. Appointment, fixing of remuneration and terms of appointment of Nangia & Co. LLP, Chartered Accountants as Statutory Auditors of the Company in place and to fill the vacancy of S.R. Batliboi & Co. LLP, Chartered Accountants.
2. Raising of Funds through Various Modes
3. Increase in the Authorised Equity Share Capital of the Company from Rs. 20 Crores to Rs. 30 Crores

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2022

**CS Raimen Maradiya**  
Partner  
Chirag Shah and Associates  
FCS No. 11283  
C P No.: 17554  
UDIN: F011283D000364625  
Peer Review Cer. No. 704/2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,  
The Members  
**Adani Capital Private Limited**  
Adani House, 56 Shrimali Society,  
Navrangpura, Ahmedabad 380009

Our Secretarial Audit Report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

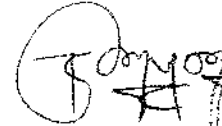

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: 23<sup>rd</sup> May, 2022

**CS Raimen Maradiya**  
Partner  
**Chirag Shah and Associates**  
FCS No. 11283  
C P No.: 17554

# NANGIA & CO LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Adani Capital Private Limited

### Report on the Audit of Ind AS Financial Statements

#### Opinion

We have audited the Ind AS Financial Statements of Adani Capital Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit including Other Comprehensive Income, its Cash Flows and the Changes in Equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

#### Emphasis of Matters

We draw attention to Note 61 of the Statement, which describes the uncertainties arising from COVID-19 pandemic and impact on the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of pandemic.

Our opinion is not modified in respect of this matter

#### Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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## Key Audit Matters (Continued)

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS Financial Statements.

Key audit matters	How our audit addressed the key audit matter
<b>(a) Impairment of loan assets as at balance sheet date (expected credit losses)</b> <b>As described in note 53.1 of the Ind AS Financial Statements</b>	
<p>Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its loan assets using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In this process, a significant degree of judgement has been applied by the management for:</p> <ol style="list-style-type: none"> <li>Defining Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories);</li> <li>Grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>Estimation of behavioural life;</li> <li>Estimation of losses for loan products with no / minimal historical default; and</li> <li>Management overlay for macro-economic factors and estimation of their impact on the credit quality.</li> </ol> <p>In the view of such high degree of management's judgement involved in estimation of ECL, it is identified as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Evaluated the Company's accounting policies for impairment of loan assets and assessed compliance with the policies in terms of Ind AS 109 and with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on 13 March 2020.</li> <li>Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation</li> <li>Assessed the criteria and tested sample for staging of loans based on their past-due status and to evaluate compliance with requirement of Ind AS 109.</li> <li>Tested the ECL model, including assumptions and underlying computation. Tested the input data used for determining the Probability of default and loss given default rates and agreed the data with the underlying books of account and records.</li> <li>Tested the arithmetical accuracy of computation of ECL provision performed by the Company.</li> <li>Read and assessed adequacy of the disclosures included in the financial statements in respect of ECL with the requirements of Ind AS 107 Financial Instruments: Disclosure ("Ind AS 107") and Ind AS 109.</li> </ul>
<b>(b) Information technology ('IT') systems and controls</b>	
<p>The financial accounting and reporting systems of the Company are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure appropriate financial reporting</p> <p>Therefore, due to the pervasive nature and complexity of the IT environment, the assessment of</p>	<p>Our audit procedures, with support from IT specialists, included the following:</p> <ul style="list-style-type: none"> <li>Tested the design and operating effectiveness of IT access controls over the information systems that are critical to financial reporting.</li> <li>Tested IT general controls (such as logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised.</li> </ul>

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<p>the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p>	<ul style="list-style-type: none"><li>• Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorisation.</li><li>• In addition to the above, we tested the design and operating effectiveness of certain application controls (automated and IT dependent manual controls) that were considered as key internal controls over financial reporting.</li><li>• Where deficiencies were identified, we tested compensating controls or performed alternate procedures</li></ul>
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## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report ("other information"), but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements for the financial year ended 31 March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, and the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 154 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2";
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position- Refer note 41 to Ind AS Financial Statements
    - ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 63.8 to the accounts, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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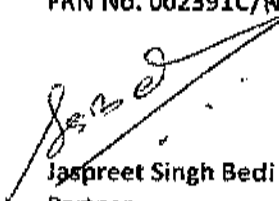
## Report on Other Legal and Regulatory Requirements (Continued)

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 63.8 to the accounts, during the year no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

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



Jaspreet Singh Bedi  
Partner  
Membership No.: 601788  
UDIN: 22601788AJKIVE4894

Place: Mumbai  
Date: 23 May 2022

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Annexure 1 referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our report of even date

Re: Adani Capital Private Limited ("the Company")

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and the situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its fixed assets including property, plant and equipment by which the fixed assets including property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets and no discrepancies were noticed on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended 31 March 2022.

(e) According to information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 63.4 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) The Company's principal business is to give loans accordingly, Clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the terms and conditions of the grant of all loans and advances to Companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) In respect of loans granted to Companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in the following cases:

Name of the Entity / Loan product	Amount (In Rs million)	Due date	Extent of delay (In days)	Remarks, if any
Tractor and commercial vehicle loans	822.50	Various due dates	More than one day	-
Business and other retail loans	1,231.24	Various due dates	More than one day	-

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(d) The following amounts are overdue for more than ninety days from Companies to whom loan has been granted, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

No. of cases	Principal overdue (In Rs millions)	Interest overdue (In Rs millions)	Total Overdue (In Rs millions)	Remarks, if any
651	253.95	29.87	283.82	-

(e) The Company's principal business is to give loans. Accordingly, the provision of Clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause 2(76) of Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, the Company have generally been regular in depositing with appropriate authorities though there has been slight delay in a few cases of undisputed statutory dues including goods and services tax, provident fund, income-tax, employee state insurance corporation and other statutory dues applicable to it. The provisions relating to duty of customs, sales-tax, duty of excise and value added tax are currently not applicable to Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, employee's state insurance, goods and service tax and cess which have not been deposited on account of any dispute. The provision relating to sales- tax, service tax, custom duty, excise duty and value-added tax are currently not applicable to the Company.

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

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(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations are given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations are given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by a secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations are given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations are given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the Information and explanations given to us and audit procedures performed by us, the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Non-Banking Financial without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xv)(c) of the Order is not applicable to the Company.

(d) According to the Information and explanations given to us, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xv)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.


(xix) On the basis of the financial ratios disclosed in note 63.11 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 36 to the financial statements.

(xxi) The Company does not prepare consolidated financial statements, hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company

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



Jaspreet Singh Bedi  
Partner  
Membership No.: 601788  
UDIN: 22601788AJKIVE4894

Place: Mumbai  
Date: 23 May 2022

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## **"ANNEXURE 2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ADANI CAPITAL PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To  
The Member of  
Adani Capital Private Limited

We have audited the internal financial controls over financial reporting of Adani Capital Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

11<sup>th</sup> Floor, B Wing, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, India  
p: +91 22 6173 7000 f: +91 22 6173 7060

LLP Registration NO. AAJ-1379

Noida - New Delhi - Gurugram - Mumbai - Bengaluru - Chennai - Pune - Dehradun

# NANGIA & CO LLP

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

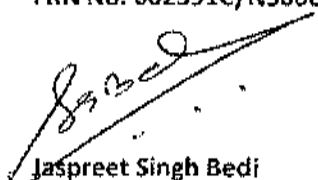
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Jaspreet Singh Bedi  
Partner  
Membership No.: 601788  
UDIN: 22601788AJKIVE4894

Place: Mumbai  
Date: 23 May 2022

**ADANI CAPITAL PRIVATE LIMITED**

Balance Sheet as at March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	7	4,136.80	1,431.53
(b) Bank balances other than cash and cash equivalents	8	1,281.61	-
(c) Receivables			
(i) Trade receivables	9	7.29	1.95
(d) Loans	10	18,782.78	11,652.66
(e) Other financial assets	11	337.77	184.61
		<b>24,546.25</b>	<b>13,270.75</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	12	38.66	37.59
(b) Deferred tax assets (net)	13	-	19.48
(c) Property, plant and equipment	14	304.78	192.90
(d) Capital work-in-progress	15	0.18	-
(e) Intangible assets under development	16	23.38	0.09
(f) Other intangible assets	17	122.77	133.76
(g) Other non-financial assets	18	67.66	30.08
		<b>557.43</b>	<b>413.90</b>
<b>TOTAL ASSETS</b>		<b>25,103.68</b>	<b>13,684.65</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables	19		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		60.19	65.89
(ii) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3.85	5.93
(b) Debt securities	20	2,511.69	2,516.71
(c) Borrowings (other than debt securities)	21	16,116.37	7,284.05
(d) Subordinated liabilities	22	336.96	-
(e) Other financial liabilities	23	812.65	201.79
		<b>19,841.71</b>	<b>10,074.37</b>
<b>Non-financial liabilities</b>			
(a) Provisions	24	47.27	46.06
(b) Deferred tax liabilities (net)	13	17.13	-
(c) Other non-financial liabilities	25	77.23	61.89
		<b>141.63</b>	<b>107.95</b>
<b>EQUITY</b>			
(a) Equity share capital	26	227.55	173.00
(b) Other equity	27	4,892.79	3,329.33
		<b>5,120.34</b>	<b>3,502.33</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>25,103.68</b>	<b>13,684.65</b>

The accompanying notes form an integral part of the financial statements

1 - 65

This is the Balance Sheet referred to in our report of even date

For Nangia & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 002391C/N500069

Mr. Jaspreet Singh Bedi  
Partner  
Membership No: 601788

Place: Mumbai

Date: May 23, 2022



For and on behalf of the Board of Directors of  
Adani Capital Private Limited  
CIN: U65990GJ2015PTC093692

Mr. Saurav Gupta  
Managing Director & CEO  
DIN: 01869109  
Place: Mumbai

Mr. Viral Shah  
Chief Financial Officer  
Place: Mumbai

Mr. Sagar R. Adani  
Director  
DIN: 07626229  
Place: Ahmedabad

Mr. Jitendra Chaturvedi  
Company Secretary  
Membership No: A45158  
Place: Mumbai

**ADANI CAPITAL PRIVATE LIMITED**

Statement of Profit and Loss for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

Particulars	Note No	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Revenue From operations</b>			
(i) Interest income	28	2,292.57	1,764.57
(ii) Net gain on fair value changes	29	30.31	15.39
(iii) Net gain on derecognition of financial instruments under amortised cost category	56.6	208.81	127.29
<b>(I) Total revenue from operations</b>		<b>2,531.69</b>	<b>1,907.25</b>
(ii) Other income	30	10.26	7.51
<b>(III) Total income (I + II)</b>		<b>2,541.95</b>	<b>1,914.76</b>
<b>Expenses</b>			
(i) Finance costs	31	1,074.14	850.90
(ii) Impairment on financial instruments	32	225.63	47.03
(iii) Employee benefits expenses	33	790.30	546.53
(iv) Depreciation, amortization and impairment	34	70.98	57.54
(v) Others expenses	35	261.34	211.53
<b>(IV) Total expenses</b>		<b>2,422.39</b>	<b>1,713.53</b>
<b>(V) Profit before tax (III - IV)</b>		<b>119.56</b>	<b>201.23</b>
<b>(VI) Tax Expense:</b>			
- Current Tax	39	12.33	11.30
- Deferred Tax	39	35.30	27.16
<b>(VII) Profit for the period (V-VI)</b>		<b>71.93</b>	<b>162.77</b>
<b>(VIII) Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements gain / (loss) on defined benefit plans		5.19	(0.31)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.31)	0.08
<b>Other comprehensive income / (loss) (Net of tax)</b>		<b>3.88</b>	<b>(0.23)</b>
<b>(IX) Total comprehensive income for the period (VII + VIII)</b>		<b>75.81</b>	<b>162.54</b>
<b>(X) Earnings per equity share (Face Value Rs 10 per share)</b>	40		
- Basic (Rs.)		4.15	9.41
- Diluted (Rs.)		4.14	9.40

The accompanying notes form an integral part of the financial statements

1 - 65

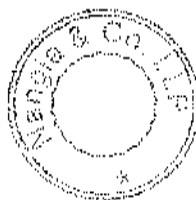
This is the Statement of Profit and Loss referred to in our report of even date

For Mangla & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number 002391C/NS00069

Mr. Jaspreet Singh Bedi  
Partner  
Membership No: 601788

Place: Mumbai

Date: May 23, 2022



For and on behalf of the Board of Directors of  
Adani Capital Private Limited  
CIN: U65990GJ2016PTC093692

Mr. Gaurav Gupta  
Managing Director & CEO  
DIN: 01669109  
Place: Mumbai

Mr. Viraj Shah  
Chief Financial Officer  
Place: Mumbai

Mr. Sagar R. Adani  
Director  
DIN: 07626229  
Place: Ahmedabad

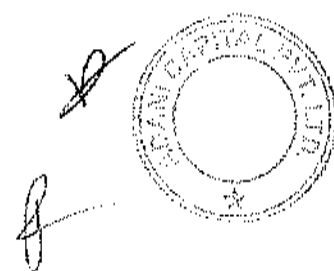
Mr. Jitendra Chaturvedi  
Company Secretary  
Membership No: A45158  
Place: Mumbai

ADANI CAPITAL PRIVATE LIMITED

Statement of Cash flows for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>A. Cash flow operating activities</b>		
Profit before tax	119.56	201.23
Adjustments for:		
Depreciation, amortization and impairment	70.98	57.54
Impairment of financial instrument	60.14	27.65
Interest on lease liability	17.62	15.08
Interest on income tax refund	(2.56)	-
Profit on sale of mutual funds	(30.31)	(14.90)
Share based payment to employees	30.91	30.39
Remeasurements of the defined benefit plans - gratuity	5.19	(0.31)
Net gain on derecognition of financial instruments under amortised cost category	(208.81)	(127.29)
Profit on sale of property, plant and equipment	(0.04)	(2.02)
Interest Income	(2,292.57)	(1,764.57)
Finance Cost	1,056.52	835.82
Cash inflow from interest	2,245.70	1,731.62
Cash outflow from finance cost	(1,051.36)	(844.62)
<b>Cash generated from operations before working capital changes</b>	<b>20.97</b>	<b>145.62</b>
<b>Adjustments for changes in Working Capital :</b>		
Decrease / (Increase) in Trade receivable	(5.59)	1.16
Decrease / (Increase) in Loans	(7,048.55)	(1,546.54)
Decrease / (Increase) in Other financial assets	(29.28)	(3.00)
Decrease / (Increase) in Other non-financial assets	(60.25)	(50.66)
(Decrease) / Increase in Trade payables	(7.77)	24.26
(Decrease) / Increase in Other financial liabilities	534.50	59.54
(Decrease) / Increase in Provisions	1.21	23.89
(Decrease) / Increase in Other non-financial liabilities	15.33	(3.46)
<b>Net cash generated from / (used in) operation</b>	<b>(6,579.43)</b>	<b>(1,349.19)</b>
Refund / (Payment) of taxes (net)	(19.40)	9.61
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>(6,592.83)</b>	<b>(1,339.58)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(61.79)	(1.22)
Proceeds from sale of property, plant and equipment	0.17	-
Purchase of intangible assets	(5.45)	(39.48)
Purchase of capital work-in-progress	(0.18)	-
(Purchase)/sale of intangible assets under development	(23.29)	8.78
Investment in bank deposits with original maturity greater than three months (Net)	(1,281.61)	-
Purchase of investments in mutual funds	(20,566.50)	(17,798.00)
Sale of investments in mutual funds	20,596.81	18,263.41
<b>Net cash generated from / (used in) Investing activities (B)</b>	<b>(1,341.84)</b>	<b>433.49</b>



**ADANI CAPITAL PRIVATE LIMITED**

**Statement of Cash flows for the year ended March 31, 2022**  
(All amounts in Rs. in Millions unless otherwise stated)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Equity Shares (including securities premium)	1,500.00	-
Payment of principal portion of lease liabilities	(23.59)	(18.21)
Payment of interest on lease liabilities	(17.62)	(15.08)
Issue of debt securities	980.00	2,500.00
Repayment of borrowing from debt securities	(1,000.00)	(980.00)
Issue of subordinated liabilities	350.00	-
Proceeds from borrowing (other than debt securities)	12,240.00	4,069.00
Repayment of borrowing (other than debt securities)	(3,388.85)	(4,210.95)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>10,639.94</b>	<b>1,344.76</b>
<b>Net increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>2,705.27</b>	<b>438.67</b>
Add: Cash and Cash Equivalents at the beginning of year	1,431.53	992.86
<b>Cash and Cash Equivalents at the end of the year</b>	<b>4,136.80</b>	<b>1,431.53</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand	2.84	0.46
Balances with banks	3,133.86	481.00
Fixed deposit with bank (Original maturity less than 3 months)	1,000.10	950.07
	<b>4,136.80</b>	<b>1,431.53</b>

The above Statement of cash flow has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flow.

For disclosures relating to changes in liabilities arising from financing activities, refer Note 37

This is the Statement of Cash Flow referred to in our report of even date

For Nangia & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 002391C/N500069


For and on behalf of the Board of Directors of  
Adani Capital Private Limited  
CIN: U65990GJ2016PTC093692

  
Mr. Jaspreet Singh Bedi  
Partner  
Membership No: 601788

Place: Mumbai


Date: May 23, 2022



  
Mr. Gaurav Gupta  
Managing Director & CEO  
DIN: 01669109  
Place: Mumbai

  
Mr. Viral Shah  
Chief Financial Officer

Place: Mumbai

  
Mr. Sagar R. Adani  
Director  
DIN: 07626229  
Place: Ahmedabad

  
Mr. Jitendra Chaturvedi  
Company Secretary

Membership No: A45158  
Place: Mumbai

**ADANI CAPITAL PRIVATE LIMITED**

Statement of Changes in Equity for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**A. Equity Share Capital**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance at the beginning of the reporting period	173.00	173.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	173.00	173.00
Changes in equity share capital (Refer Note 26 (A) for additional details)	54.55	-
Balance at the end of the reporting period	227.55	173.00

**B. Other equity**

Particulars	Reserves and Surplus			Share option outstanding account	Total
	Securities premium	Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	Retained earnings		
Balance at April 1, 2020	3,128.76	19.35	(18.46)	-	3,129.65
Profit for the year	-	-	162.77	-	162.77
Share based payment expense	-	-	-	37.14	37.14
Other comprehensive income for the year	-	-	(0.23)	-	(0.23)
Total comprehensive income for the year (net of tax)	-	-	162.54	37.14	199.68
Transfer / utilisations	-	-	-	-	-
Transferred to special reserve from retained earnings	-	32.55	(32.55)	-	-
Balance at March 31, 2021	3,128.76	51.90	111.53	37.14	3,329.33
Profit for the year	-	-	71.93	-	71.93
Premium on issue of equity shares	1,445.45	-	-	-	1,445.45
Share based payment expense	-	-	-	42.20	42.20
Other comprehensive income for the year	-	-	3.88	-	3.88
Total comprehensive income for the year (net of tax)	1,445.45	-	75.81	42.20	1,563.46
Transfer / utilisations	-	-	-	-	-
Transferred to special reserve from retained earnings	-	14.39	(14.39)	-	-
Balance at March 31, 2022	4,574.21	66.29	172.95	79.34	4,892.79

This is the Statement of Changes In Equity referred to in our report of even date

For Nangia & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 002391C/N500069

For and on behalf of the Board of Directors of  
Adani Capital Private Limited  
CIN: U65990GJ2016PTC093692

Mr. Jaspreet Singh Bedi  
Partner  
Membership No: 601788

Mr. Gaurav Gupta  
Managing Director & CEO  
DIN: 01669109  
Place: Mumbai

Mr. Sagar R. Adani  
Director  
DIN: 07626229  
Place: Ahmedabad

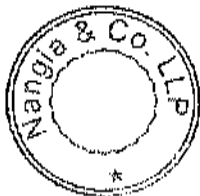
Place: Mumbai

Mr. Viral Shah  
Chief Financial Officer

Mr. Jitendra Chaturvedi  
Company Secretary  
Membership No: A45158  
Place: Mumbai

Date: May 23, 2022

Place: Mumbai



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

### Significant Accounting Policies:

#### 1. Corporate Information:

Adani Capital Private Limited (the 'Company') was incorporated in India on September 12, 2016 under the provisions of the Companies Act, 2013 ('the Act').

The Company is engaged in the business of providing loans.

The Company holds a Certificate of Registration (CoR) as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934. The Company received its certificate of registration as a non-banking finance Company on January 6, 2017 having registration number B.01.00567.

The Company is a wholly owned subsidiary of Adani Finserve Private Limited.

The Registered office of the company is Adani House, 56, Shrimali Society, Navrangpura, Ahmedabad, Gujarat - 380009.

The financial statements of the Company for the year ended 31 March 2022 were authorised for issue in accordance with the resolution of the Board of Directors on 23 May 2022.

#### 2. Basis of Preparation:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for certain financial instruments such as, other financial instruments held for trading, which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Millions, except when otherwise indicated. The financial statements have been prepared on a going concern basis.

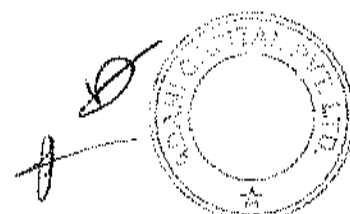
The preparation of financial statements requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

#### 3. Statement of Compliance:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

#### 4. Presentation of financial statements:

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis.



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

### 4.1 Functional and presentation currency:

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

## 5. Significant accounting policies:

### 5.1 Revenue from operations:

#### 5.1.1 Recognition of interest income:

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees received/paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of expected credit loss) of the financial asset. If Financial Asset is cured and is no longer credit impaired, the Company starts calculating interest income on gross basis.

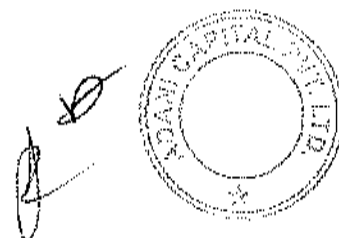
#### 5.1.2 Dividend income:

Dividend income is recognized

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

#### 5.1.3 Fees and Commission income:

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

**Step 1: Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2: Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3: Determine the transaction price:** The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4: Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation**

### 5.2 Financial instruments:

#### 5.2.1 Initial Recognition:

Financial assets and liabilities, with the exception of loans and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans are recognised when funds are transferred to the customers' account. The Company recognises borrowings when funds are available for utilisation to the Company.

#### 5.2.2 Initial measurement of financial instruments:

Financial assets and financial liability are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recorded at fair value through profit & loss (FVTPL)), are added to or subtracted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

#### 5.2.3 Day 1 profit or loss:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

### 5.2.4 Classification & measurement categories of financial assets and liabilities:

The Company classifies all its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

#### Financial assets at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

#### Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortised cost.

#### Financial Assets at fair value through profit & loss (FVTPL)

A financial asset which is not classified in any of above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

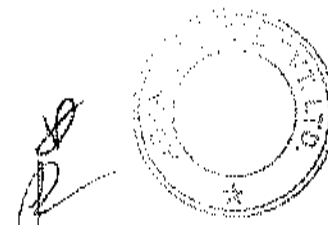
### 5.3 Financial assets and liabilities:

#### 5.3.1 Financial assets held for trading:

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

#### 5.3.2 Debt securities and other borrowed funds:

The company measures debt issued and other borrowed funds at amortised cost at each reporting date. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

Here debt securities and other borrowed funds also include non – convertible debenture.

### 5.3.3 Financial assets and financial liabilities measured at FVTPL on initial recognition:

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or
- The liabilities are part of a group of financial liabilities, which are managed, and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

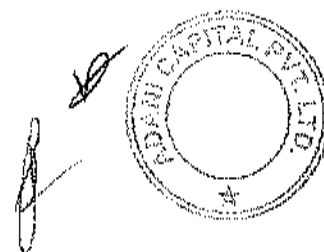
### 5.3.4 Loan commitments:

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Currently Company has not recognised any ECL in respect of undrawn commitment

### 5.3.5 Financial liabilities and equity instruments: Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

All the financial liabilities are measured at amortised cost except loan commitments and financial guarantees.



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

### 5.4 Reclassification of financial assets and financial liabilities:

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

### 5.5 Derecognition of financial assets and liabilities:

#### 5.5.1 Derecognition of financial asset:

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if and only if; either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset but assumed a contractual obligation to pay the cash flows in full without material delay to third party under 'pass through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be purchased or originated credit impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

### 5.5.2 Derecognition of financial liabilities:

A Financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.

### 5.6 Impairment of financial assets:

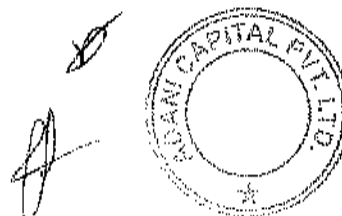
#### Overview of ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'Financial Instruments'. Equity instruments are not subject to impairment under Ind AS 109.

ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

#### Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.



# ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

## General Approach

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date."

Both Lifetime ECLs and 12-month ECLs are calculated on a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loans into corporate loans, business loans given to MSMEs (MSME), home loans, commercial vehicle loans and supply chain finance.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

### Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances upto 30 days default under this category. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognized.

### Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Assets which are 30 Days Past Due and less than 90 Days Past Due are considered as significant increase in credit risk. For these assets lifetime ECL are recognized.

### Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of Expected Credit Loss) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

## Credit-impaired financial assets

"At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired'



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties."

### The calculation of ECL

"The mechanics of the ECL calculations are outlined below and the key elements are, as follow

### Probability of Default

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. In the absence of sufficient history of default the company has primarily sourced the PDs from external default reports published by various rating agencies.

### Exposure at Default

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

### Loss given Default

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is computed in the following manner:

- a) In case of Commercial vehicle and Farm Equipments portfolio the LGD percentage is determined based on the recovery experience from closed cases.
- b) In case of loans to MSME Sector and term loans to Corporate customers the LGD percentage is determined based on the estimated value of recovery from the sale of collateral after considering reasonable haircuts as determined appropriate by the management where latest fair value of collateral is not available with the management.
- c) In case of other portfolios proxy LGD percentage as prescribed by the regulatory authority (FIRB Approach) is considered.



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

### Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company considered rebuttable presumption that credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

### 5.7 Collateral valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, real estate, etc. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. The collateral are assessed at time of inception and are being reassessed as and when required.

### 5.8 Collateral repossessed:

In its normal course of business, the Company engages external agents to repossess and recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

### 5.9 Write-offs:

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

### 5.10 Determination of fair value:

The Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either,

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived,



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

### Level 1 financial instruments

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

### Level 2 financial instruments

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

### Level 3 financial instruments

Those that include one or more unobservable input that is significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

### 5.11 Leases:

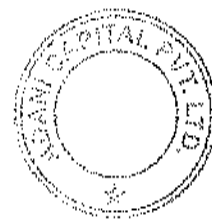
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

### 5.11.1 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment.

### 5.11.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

### 5.11.3 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 5.12 Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

### 5.13 Foreign currency transaction:

The Financial Statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### 5.14 Employee benefit expenses:

#### 5.14.1 Short-term employee benefits:

##### Defined contribution schemes

The Company contributes to a recognised provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

#### 5.14.2 Post-employment benefits:

##### Defined benefit schemes - Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re-measurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurement are not reclassified to profit or loss in subsequent periods.



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

### 5.14.3 Other long-term employee benefits:

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

### 5.14.4 Employee share-based payments:

Equity-settled share-based payments to employees providing services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in Note 55.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 5.15 Property, plant and equipment:

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss if any. The cost comprises the purchase price and incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, as and when they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:



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# ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

Nature of assets	Estimated useful lives
Office equipment	5 years
Computer Systems – End User Devices	3 years
Computer Systems – Servers & Networks	6 years
Electrical Installation	10 years
Furniture & fixtures	10 years
Office Premises	On the lease term

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## 5.16 Intangible assets:

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Intangibles such as software are amortised over a period of 10 years based on its estimated useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

## 5.17 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

### 5.18 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

### 5.19 Income tax expenses:

Income tax expense represents the sum of current tax and deferred tax.

#### 5.19.1 Current tax:

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### 5.19.2 Deferred tax:

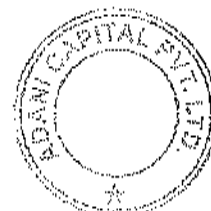
Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

### 5.20 Goods and services tax paid on acquisition of assets or on incurring expenses:

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### 5.21 Securities issue expenses:

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve.

### 5.22 Cash and cash equivalents:

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

### 5.23 Cash-flow statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

## 6. Significant accounting judgements, estimates and assumptions:

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

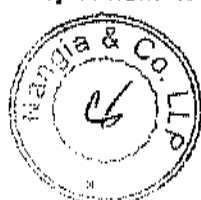
### 6.1 Critical judgements in applying accounting policies:

#### 6.1.1 Business model assessment:

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### 6.2 Key source of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as



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## ADANI CAPITAL PRIVATE LIMITED

### Notes to the Financial Statements for the year ended March 31, 2022

described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 6.2.1 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

#### 6.2.2 Effective Interest Rate (EIR) Method:

The Company's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/ taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes to India's base rate and other fee income/expenses that are integral part of the instrument.

#### 6.2.3 Impairment of Financial assets:

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD



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# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- The impact of COVID -19 on the global economy and how government, business and consumer is uncertain This uncertainty is reflected in the Company's assessment of impairment allowance on its loans which are subject to a number of management judgement and estimated. While methodologies and assumption applied remains unchanged. Company has separately incorporated estimates, assumption and judgements specific to the impact of COVID -19 pandemic.

In terms of the requirements as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting standard , Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowance under Ind AS 109 and Income Recognition , Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowance under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31 March 2022 and accordingly, no amount is required to be transferred to impairment reserve.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

### 6.2.4 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 6.2.5 Provision and contingent liabilities:

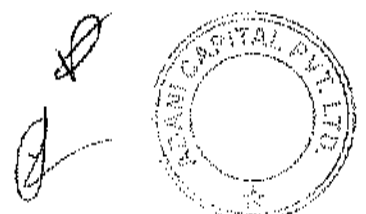
The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

### 6.2.6 Provisions for Income Taxes:

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.



# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### 6.2.7 Leases - Estimating the Incremental Borrowing rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

### 6.2.8 Leases - Estimate of lease period

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised.

### 6.2.9 Share-Based Payments:

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in Note 5.14.4.

### 6.2.10 Useful life of Property, Plant and Equipment:

The useful life to depreciate property, plant and equipment is based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset, and manufacturers' warranties, maintenance and support period, etc. The charge for the depreciation is derived after considering the expected residual value at end of the useful life.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year end and adjusted prospectively, if appropriate. Further details about property, plant and equipment are given in Note 14.

### 6.2.11 Defined benefit plans (gratuity and compensated absences benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future

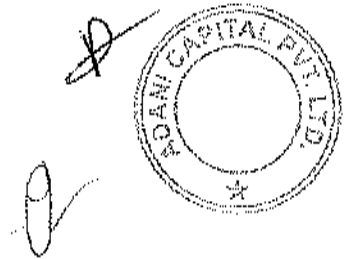


# ADANI CAPITAL PRIVATE LIMITED

## Notes to the Financial Statements for the year ended March 31, 2022

salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 38.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 7 Cash and cash equivalents

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Cash on hand	2.84	0.46
Balances with banks	3,133.86	481.00
Fixed deposit with bank for original maturity less than 3 months (including interest accrued)	1,000.10	950.07
<b>Total</b>	<b>4,136.80</b>	<b>1,431.53</b>

### 8 Bank balances other than cash and cash equivalents

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Short-term deposits with banks (including interest accrued)	1,230.74	-
Long-term deposits with banks (including interest accrued)	50.87	-
<b>Total</b>	<b>1,281.61</b>	<b>-</b>

### 9 Receivables

#### i. Trade Receivables

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Considered good - Secured	-	-
Considered good - Unsecured	7.61	2.02
Gross trade receivables	7.61	2.02
Less: Allowance for Expected Credit Losses	(0.32)	(0.07)
<b>Total trade receivables (net of impairment)</b>	<b>7.29</b>	<b>1.95</b>

#### a. Reconciliation of impairment allowance on trade receivables:

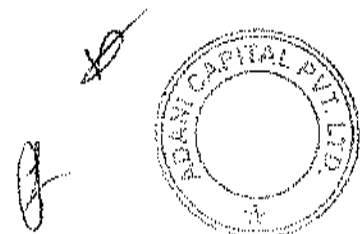
Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Impairment allowance as per simplified approach		
Opening Balance	0.07	0.09
Add/(less): On Assets originated or acquired (net)	0.25	(0.02)
<b>Closing Balance</b>	<b>0.32</b>	<b>0.07</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

#### b. Trade receivables ageing schedule

As at March 31, 2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Considered good - Secured	-	-	-	-	-	-
Considered good - Unsecured	7.46	0.02	0.13	-	-	7.61
Gross trade receivables	7.46	0.02	0.13	-	-	7.61
Less: Allowance for Expected Credit Losses						(0.32)
<b>Total trade receivables (net of impairment)</b>						<b>7.29</b>

As at March 31, 2021	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Considered good - Secured	-	-	-	-	-	-
Considered good - Unsecured	1.35	0.67	-	-	-	2.02
Gross trade receivables	1.95	0.67	-	-	-	2.02
Less: Allowance for Expected Credit Losses						(0.07)
<b>Total trade receivables (net of impairment)</b>						<b>1.95</b>



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. In Millions unless otherwise stated)

### 10 Loans

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amortised cost	Amortised cost
<b>(A) Loans</b>		
<b>Total - Gross (A)</b>	19,019.30	11,829.29
Less: Impairment loss allowance	(236.52)	(176.63)
<b>Total - Net of impairment loss allowance (A)</b>	<b>18,782.78</b>	<b>11,652.66</b>
<b>(B) (i) Secured by tangible assets</b>	16,188.32	9,325.85
<b>(ii) Unsecured</b>	2,830.98	2,503.44
<b>Total - Gross (B)</b>	19,019.30	11,829.29
Less: Impairment loss allowance	(236.52)	(176.63)
<b>Total - Net of impairment loss allowance (B)</b>	<b>18,782.78</b>	<b>11,652.66</b>
<b>(C) Loans in India</b>		
<b>(i) Public sectors</b>	-	-
<b>(ii) Others</b>	19,019.30	11,829.29
<b>Total - Gross (C)</b>	19,019.30	11,829.29
Less: Impairment loss allowance	(236.52)	(176.63)
<b>Total - Net of impairment loss allowance (C)</b>	<b>18,782.78</b>	<b>11,652.66</b>



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**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**10.1 Loans**

**a. Credit Quality of Assets**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 53.1 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 53.1.1.6

Internal rating grade	31-Mar-22			31-Mar-21			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Performing	17,879.75	855.73	-	10,975.43	690.66	-	11,666.09
Non-performing	-	-	283.82	-	-	163.20	163.20
<b>Total</b>	<b>17,879.75</b>	<b>855.73</b>	<b>283.82</b>	<b>10,975.43</b>	<b>690.66</b>	<b>163.20</b>	<b>11,829.29</b>

**b. Reconciliation of changes in gross carrying amount and corresponding ECL allowance for loans and advances to corporate, retail customers & factoring:-**

The following disclosure provide stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporate, retail and factoring customer. The transfer of financial assets represents the impact of stage transfer upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfer represent increase or decrease due to these transfers.

Particulars	FY 2021-22			FY 2020-21			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Gross carrying amount opening balance	10,975.43	690.66	163.20	9,580.70	618.75	45.63	10,245.28
New assets originated or purchased	13,415.27	90.80	16.93	6,935.05	150.40	4.77	7,090.22
Assets derecognised or repaid (excluding write-offs)	(5,987.89)	(299.88)	(68.75)	(5,166.79)	(338.73)	(24.27)	(5,519.79)
Transfers to Stage 2	(589.32)	589.32	-	(460.72)	460.72	-	-
Transfers to Stage 3	(405.54)	(50.01)	155.55	(73.89)	(46.78)	128.67	(0.00)
Assets staging upgraded	183.16	(168.76)	(34.40)	164.57	(158.68)	(5.89)	0.00
Other Adjustment	(11.36)	4.40	31.29	(3.49)	4.96	(13.58)	-
<b>Gross carrying amount closing balance</b>	<b>17,879.75</b>	<b>855.73</b>	<b>283.82</b>	<b>10,975.43</b>	<b>690.66</b>	<b>163.20</b>	<b>11,829.29</b>

**c. Reconciliation of ECL allowance is given below:**

Particulars	FY 2021-22			FY 2020-21			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
ECL allowance - opening balance	77.58	16.59	82.46	176.63	24.71	18.66	148.96
New assets originated or purchased	89.82	1.50	9.08	48.84	2.88	2.55	54.27
Assets derecognised or repaid (excluding write-offs)	(9.50)	0.37	(62.08)	(42.65)	(10.50)	(8.47)	(61.60)
Transfers to Stage 2	(11.80)	11.80	-	(32.39)	12.19	-	-
Transfers to Stage 3	(25.45)	(13.27)	36.72	(22.88)	(11.90)	34.78	-
Impact on year end ECL of exposures transferred between stages during the year	0.78	(0.58)	(0.20)	0.85	(0.79)	(0.06)	0.00
Changes to models and inputs used for ECL calculations	-	-	31.50	-	-	35.00	35.00
<b>ECL allowance - closing balance</b>	<b>120.63</b>	<b>16.61</b>	<b>99.48</b>	<b>77.58</b>	<b>16.59</b>	<b>82.46</b>	<b>176.63</b>

Note: Total ECL allowance includes management overlay of Rs. 24.30 million (FY: Rs. 42.11 million) on Loans & Advances.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

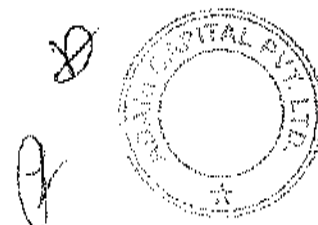
(All amounts in Rs. in Millions unless otherwise stated)

### 11 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	15.87	10.48
Excess Interest Spread (EIS) Receivables	233.76	121.81
Other receivables from related parties (Refer Note 49)	83.85	51.36
Others	4.29	0.96
<b>Total</b>	<b>337.77</b>	<b>184.61</b>

### 12 Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income taxes (Net of provision for income tax Rs. 36.82 millions (previous year Rs. 24.30 millions))	38.66	37.59
<b>Total</b>	<b>38.66</b>	<b>37.59</b>



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 13 Deferred tax

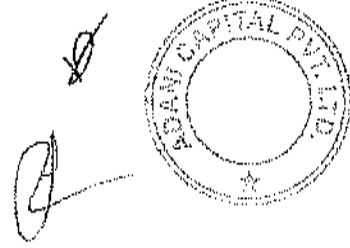
The major components of deferred tax assets / (liabilities) arising on account of timing differences are as follows:

As at March 31, 2022

Particulars	As at April 01, 2021	Recognised in profit or loss	Recognised in OCI	As at March 31, 2022
<b>Deferred tax assets</b>				
Impairment loss on financial assets	41.74	10.35	-	52.09
EIR impact on financial instruments	5.68	0.46	-	6.14
Impact of Leases	4.23	2.44	-	6.67
Retirement benefit plans	8.26	4.95	(1.31)	11.90
(A)	59.91	18.20	(1.31)	76.80
<b>Deferred tax liabilities</b>				
Difference between written down value of fixed assets as per the books of accounts and income tax	9.08	1.85	-	10.93
EIR impact on borrowings	0.69	23.47	-	24.16
Impact of direct assignment transactions	30.66	28.18	-	58.84
(B)	40.43	53.50	-	93.93
<b>Deferred tax assets / (liabilities) (net) (A-B)</b>	<b>19.48</b>	<b>(35.30)</b>	<b>(1.31)</b>	<b>(17.13)</b>

As at March 31, 2021

Particulars	As at April 01, 2020	Recognised in profit or loss	Recognised in OCI	As at March 31, 2021
<b>Deferred tax assets</b>				
Impairment loss on financial assets	32.41	9.33	-	41.74
EIR impact on financial instruments	8.48	(2.80)	-	5.68
Impact of Leases	2.93	1.30	-	4.23
Retirement benefit plans	6.16	2.02	0.08	8.26
Unused tax credits	5.40	(5.40)	-	-
(A)	55.38	4.45	0.08	59.91
<b>Deferred tax liabilities</b>				
Difference between written down value of fixed assets as per the books of accounts and income tax	5.65	3.43	-	9.08
EIR impact on borrowings	3.04	(2.35)	-	0.69
Impact of direct assignment transactions	0.13	30.66	-	30.66
(B)	8.82	31.61	-	40.43
<b>Deferred tax assets / (liabilities) (net) (A-B)</b>	<b>46.56</b>	<b>(27.16)</b>	<b>0.08</b>	<b>19.48</b>



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**14 Property, plant and equipment**

Particulars	Office Premises	Furniture and fixtures	Office equipment	Electrical installations	ROU asset	Computer & Printer	Total
<b>Gross Block</b>							
As at April 01, 2020	9.80	13.71	13.08	26.96	176.54	31.88	271.97
Additions	0.01	0.26	0.30	0.14	25.17	0.50	26.39
Disposals	(0.34)	-	-	(0.90)	(17.92)	-	(19.15)
As at March 31, 2021	9.47	13.97	13.38	26.20	183.79	32.38	279.21
Additions	16.39	11.03	2.68	7.62	104.75	24.08	166.55
Disposals	-	-	-	-	-	(0.25)	(0.25)
As at March 31, 2022	25.86	25.00	16.06	33.82	288.54	56.21	445.51
<b>Accumulated Depreciation / Amortization:</b>							
Opening balance	1.81	2.05	3.50	3.61	26.26	12.28	49.51
Depreciation / Amortization for the year	1.44	1.38	2.70	3.36	27.39	8.36	44.65
Disposals	(0.34)	-	-	(0.90)	(6.61)	-	(7.85)
As at March 31, 2021	2.91	3.43	6.20	6.07	47.04	20.64	86.31
Depreciation / Amortization for the year	1.99	1.75	2.91	2.91	35.10	9.88	54.54
Disposals	-	-	-	-	-	(0.12)	(0.12)
As at March 31, 2022	4.90	5.18	9.11	8.98	82.14	30.40	140.73
<b>Net carrying amount</b>							
As at March 31, 2022	20.96	19.82	6.95	24.84	206.40	25.81	304.78
As at March 31, 2021	6.56	10.54	7.18	20.13	136.75	11.74	192.90

Notes:

- a) No property, plant and equipment have been revalued during the year.
- b) No adjustments on account of borrowings costs have been made during the year.



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**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**15 Capital-Work-in Progress**

Ageing schedule as at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.18	-	-	-	0.18
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.18</b>

Ageing schedule as at 31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**16 Intangible assets under development**

Ageing schedule as at 31 March 2022

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	23.38	-	-	-	23.38
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>23.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.38</b>

Ageing schedule as at 31 March 2021

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.09	-	-	-	0.09
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.09</b>



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. In Millions unless otherwise stated)

### 17 Other intangible assets

Particulars	Software	Total
<b>Gross Block</b>		
As at April 01, 2020	122.08	122.08
Additions	39.48	39.48
Disposals	-	-
As at March 31, 2021	161.56	161.56
Additions during the year	5.45	5.45
Disposals	-	-
As at March 31, 2022	167.01	167.01
<b>Accumulated Depreciation / Amortization:</b>		
Opening balance	14.91	14.91
Depreciation / Amortization for the year	12.89	12.89
Disposals	-	-
As at March 31, 2021	27.80	27.80
Depreciation / Amortization for the year	16.44	16.44
Disposals	-	-
As at March 31, 2022	44.24	44.24
<b>Net book value</b>		
As at March 31, 2022	122.77	122.77
As at March 31, 2021	133.76	133.76



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# ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

## 18 Other non-financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	29.42	15.25
Balances with government authorities	21.52	13.84
Others	16.72	0.99
<b>Total</b>	<b>67.66</b>	<b>30.08</b>



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 19 Payables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note 19 (a) below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	60.19	65.89
	<b>60.19</b>	<b>65.89</b>
<b>Other Payables</b>		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.85	5.93
	<b>3.85</b>	<b>5.93</b>
<b>Total</b>	<b>64.04</b>	<b>71.82</b>

a. Information required as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) provided based on and to the extent of information received by the Company from the suppliers regarding their status under MSMED Act:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

b. Trade payables ageing schedule

As at March 31, 2022	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade payables - Undisputed</b>					
(i) MSME	-	-	-	-	-
(i) Other than MSME	60.19	-	-	-	60.19
<b>Total</b>	<b>60.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.19</b>

As at March 31, 2021	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade payables - Undisputed</b>					
(i) MSME	-	-	-	-	-
(i) Other than MSME	65.89	-	-	-	65.89
<b>Total</b>	<b>65.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.89</b>



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 20 Debt securities

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amortised cost	Amortised cost
Redeemable non-convertible debentures - Secured Privately placed	2,511.69	2,516.71
<b>Total</b>	<b>2,511.69</b>	<b>2,516.71</b>
Debt Securities in India	2,511.69	2,516.71
Debt Securities outside India	-	-
<b>Total</b>	<b>2,511.69</b>	<b>2,516.71</b>

a. Maturity profile and rate of interest of debt securities are set out below:

As at March 31, 2022

Particulars	Rate of Interest	Maturity	Amount
Privately placed non-convertible debentures - 2	8.15%	Repayable in single instalment on 18 May 2022	1,000.00
Privately placed non-convertible debentures - 3	9.50%	Repayable in single instalment on 29 June 2023	500.00
Privately placed non-convertible debentures - 4	8.60%	Repayable in single instalment on 13 December 2022	980.00

**2,480.00**

Add: Interest accrued and effective interest rate amortisation 31.69

**2,511.69**

As at March 31, 2021

Particulars	Rate of Interest	Maturity	Amount
Privately placed non-convertible debentures - 1	7.75%	Repayable in single instalment on 21 January 2022	1,000.00
Privately placed non-convertible debentures - 2	8.15%	Repayable in single instalment on 18 May 2022	1,000.00
Privately placed non-convertible debentures - 3	9.50%	Repayable in single instalment on 29 June 2023	500.00

**2,500.00**

Add: Interest accrued and effective interest rate amortisation 16.71

**2,516.71**

b. Nature of Security :

Redeemable non-convertible debentures which have been privately placed are secured by hypothecation of Loan Receivables & investment Receivables of the company to the extent of 1.2x times.



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**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**21. Borrowings (other than debt securities)**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amortised cost	Amortised cost
<b>Secured</b>		
Term loans		
- from banks	14,933.65	6,783.80
- from financial institutions	1,179.99	492.86
<b>Unsecured</b>		
Term loans		
- from financial institutions	2.73	7.39
<b>Total</b>	<b>16,116.37</b>	<b>7,284.05</b>
Borrowings in India	16,116.37	7,284.05
Borrowings outside India	-	-
<b>Total</b>	<b>16,116.37</b>	<b>7,284.05</b>

a. Maturity profile and rate of interest of borrowings from banks and other parties are set out below:

As at March 31, 2022

Particulars	Rate of interest	Maturity			
		0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
Term Loans from banks - Secured	5.00% to 10.20%	5,642.15	5,993.61	3,371.49	15,007.25
Term Loans from financial institutions - Secured	8.50% to 11.25%	564.23	616.67	-	1,180.90
Term Loans from financial institutions - Unsecured	9.48%	2.73	-	-	2.73
					<b>16,190.88</b>
					Add: Interest accrued and effective interest rate amortisation (74.51)
					<b>16,116.37</b>

As at March 31, 2021

Particulars	Rate of interest	Maturity			
		0 - 1 Year	1 - 3 Years	3 - 5 Years	Total
Term Loans from banks - Secured	6.21% to 10.20%	2,634.55	3,128.89	1,075.86	6,839.30
Term Loans from financial institutions - Secured	10.00% to 11.25%	260.63	231.17	-	491.80
Term Loans from financial institutions - Unsecured	9.48%	4.66	2.73	-	7.39
					<b>7,338.49</b>
					Add: Interest accrued and effective interest rate amortisation (54.44)
					<b>7,284.05</b>

b. Nature of Security :

Term loans from banks are secured by hypothecation of Loan Receivables & Investment Receivables of the company.

c. The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of borrowings and interest.



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**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
 (All amounts in Rs. in Millions unless otherwise stated)

**22 Subordinated liabilities**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Amortised cost	Amortised cost
Unsecured		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	336.96	-
<b>Total</b>	<b>336.96</b>	<b>-</b>
Subordinated Liabilities in India	336.96	-
Subordinated Liabilities outside India	-	-
<b>Total</b>	<b>336.96</b>	<b>-</b>

a. Maturity profile and rate of interest of subordinated liabilities are set out below:

As at March 31, 2022

Particulars	Rate of Interest	Maturity	Amount
Privately placed subordinated (Tier II) redeemable non-convertible debentures	9.75%	Repayable in single instalment on 30 November 2028	350.00
			<b>350.00</b>
		Add: Interest accrued and effective interest rate amortisation	(13.04)
			<b>336.96</b>



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 23 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability (Refer Note 50)	225.10	147.64
Employee benefits payable	3.47	1.43
Other Payables	584.08	52.72
<b>Total</b>	<b>812.65</b>	<b>201.79</b>

### 24 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Gratuity (Refer Note 38)	16.79	11.84
Compensated Absences (Refer Note 38)	30.48	20.96
Performance Linked Incentive	-	13.26
<b>Total</b>	<b>47.27</b>	<b>46.06</b>

### 25 Other non-financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory liabilities	24.54	11.09
Revenue received in advance	3.21	1.38
Others	49.48	49.42
<b>Total</b>	<b>77.23</b>	<b>61.89</b>



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 26 Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity shares of Rs. 10 each	3,00,00,000	300.00	2,00,00,000	200.00
	3,00,00,000	300.00	2,00,00,000	200.00
<b>Issued, subscribed and fully paid up</b>				
Equity Shares of Rs. 10 each fully paid up	2,27,54,541	227.55	1,72,99,996	173.00
	2,27,54,541	227.55	1,72,99,996	173.00

#### I. Movement in equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	1,72,99,996	173.00	1,72,99,996	173.00
Shares issued during the year	54,54,545	54.55	-	-
Outstanding at the end of the year	2,27,54,541	227.55	1,72,99,996	173.00

Notes:

#### A. Issue of equity shares

During year ended March 31, 2022, the company has issued 54,54,545 fully paid-up equity shares of Rs. 10 per share at a premium of Rs. 265 per share for aggregate consideration of Rs. 1,500.00 Million to its holding company Adani Finserve Private Limited.

#### B. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

#### C. Shares held by the holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding
Holding Company Adani Finserve Private Limited	2,27,54,540	100.00%	1,72,99,995	100.00%
<b>Total</b>	<b>2,27,54,540</b>	<b>100.00%</b>	<b>1,72,99,995</b>	<b>100.00%</b>

#### D. Details of shareholder(s) holding more than 5% of equity shares in the company :

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding
<b>Equity shares of Rs.10 each fully paid up</b>				
Holding Company Adani Finserve Private Limited	2,27,54,540	100.00%	1,72,99,995	100.00%
<b>Total</b>	<b>2,27,54,540</b>	<b>100.00%</b>	<b>1,72,99,995</b>	<b>100.00%</b>

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



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**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
 (All amounts in Rs. in Millions unless otherwise stated)

**26 Equity share capital (contd...)**

**E. Shares held by the promoters**

Particulars	As at March 31, 2022				
	Opening balance of no. of shares held	% of total shares	Closing balance of no. of shares held	% of total shares	% change during the year
Promoters Adani Finserve Private Limited	1,72,99,995	100.00%	2,27,54,540	100.00%	31.53%

Particulars	As at March 31, 2021				
	Opening balance of no. of shares held	% of total shares	Closing balance of no. of shares held	% of total shares	% change during the year
Promoters Adani Finserve Private Limited	1,72,99,995	100.00%	1,72,99,995	100.00%	0.00%



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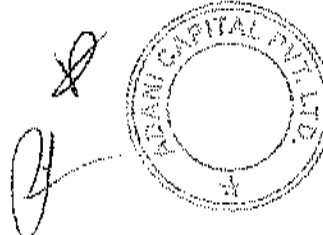
## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 27 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
<b>I. Securities premium reserve</b>		
Opening balance	3,128.76	3,128.76
Add : Premium received on issue of securities	1,445.45	-
<b>Closing Balance</b>	<b>4,574.21</b>	<b>3,128.76</b>
<b>II. Share based payment reserve</b>		
Opening balance	37.14	-
Add: During the year	42.20	37.14
<b>Closing Balance</b>	<b>79.34</b>	<b>37.14</b>
<b>III. Special Reserve under section 45-1C of the Reserve Bank of India Act, 1934</b>		
Opening balance	51.90	19.35
Add : Additions during the year	14.39	32.55
<b>Closing Balance</b>	<b>66.29</b>	<b>51.90</b>
<b>IV. Impairment Reserve</b>		
Opening balance	-	-
Add : Additions during the year	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>V. Retained earnings</b>		
Opening balance	111.53	(18.46)
Add : Profit for the year	71.93	162.77
Add : Other comprehensive income	3.88	(0.23)
<b>Amount available for appropriation</b>	<b>187.34</b>	<b>144.08</b>
<b>Less: Appropriations</b>		
Transfer to Special Reserve u/s 45-1C of the Reserve Bank of India Act, 1934	(14.39)	(32.55)
<b>Closing Balance</b>	<b>172.95</b>	<b>111.53</b>
<b>Total Other Equity</b>	<b>4,892.79</b>	<b>3,329.33</b>



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### Securities premium reserve

The securities premium reserve is used to record the premium received on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with provision of the Companies Act, 2013.

### Share based payment Reserve

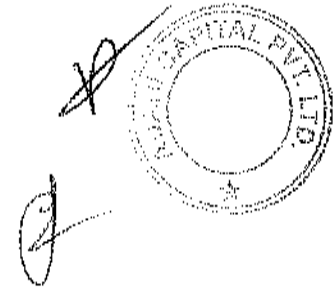
The Company has stock option scheme under which the eligible employees and key management personnel can exercise the stock options granted and vested in them. On such exercise of the stock options the employees will be allotted equity shares of the Company. The share-based payment reserve is used to recognise the value of equity-settled share-based payments.

### Statutory reserve

Reserve created under 45-IC(1) in The Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

### Retained earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 28 Interest income

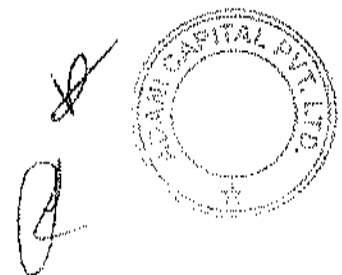
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial assets measured at amortised cost	On financial assets measured at amortised cost
Interest on loans	2,166.08	1,688.58
Interest on fixed deposits	17.00	25.04
Other Interest Income	109.49	50.95
<b>Total</b>	<b>2,292.57</b>	<b>1,764.57</b>

### 29 Net gain on fair value changes

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Net gain on financial instruments at fair value through profit or loss	
-On trading portfolio	-	-
-Investments	30.31	15.39
<b>Total</b>	<b>30.31</b>	<b>15.39</b>
Fair value changes		
-Realised	30.31	15.39
-Unrealised	-	-
<b>Total</b>	<b>30.31</b>	<b>15.39</b>

### 30 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Interest on income tax refund	2.56
Miscellaneous income	7.70	7.51
<b>Total</b>	<b>10.26</b>	<b>7.51</b>



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 31 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
Interest on borrowings	825.85	640.56
Interest on debentures	216.51	191.58
Interest on subordinated liabilities	11.28	-
Interest on lease liability	17.62	15.08
Other finance cost	2.88	3.68
<b>Total</b>	<b>1,074.14</b>	<b>850.90</b>

### 32 Impairment on financial instruments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On Financial instruments measured at amortised cost		
(i) Loans	59.89	27.67
(ii) Investments	-	-
(iii) Others	0.25	(0.02)
Loan write off	130.19	1.82
Loss on sale of repossessed assets	35.30	17.56
<b>Total</b>	<b>225.63</b>	<b>47.03</b>

### 33 Employee benefits expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	652.72	460.06
Contribution to provident and other funds	49.80	30.01
Share based payment to employees (Refer Note 55)	30.91	30.39
Staff welfare expenses	23.21	11.78
Gratuity expenses (Refer Note 38)	8.08	4.72
Leave encashment	15.58	9.57
<b>Total</b>	<b>790.30</b>	<b>546.53</b>

### 34 Depreciation, Amortisation and Impairments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipments	54.54	44.65
Amortisation on intangible assets	16.44	12.89
<b>Total</b>	<b>70.98</b>	<b>57.54</b>



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 35 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	18.79	18.03
Communication expenses	21.76	14.12
Travelling and conveyance	41.32	16.36
Miscellaneous expenses	2.49	1.32
Bank charges	2.32	1.45
Cash collection expenses	7.65	2.86
File storage and processing expenses	14.69	1.75
Director's fees, allowances and expenses	2.62	1.31
Membership & subscription	0.64	0.11
Security expenses	2.55	1.54
Branch setup expenses	0.32	0.17
Credit information costs	0.69	3.67
Electricity charges	7.58	5.64
IT software license costs	50.63	79.23
Insurance expenses	0.09	-
Legal and professional fees	95.35	79.28
Office expenses	5.74	2.90
Office maintenance expenses	8.85	9.13
Printing and stationery	9.76	3.51
Payment to auditors (Refer Note 35.1)	4.71	3.33
Rates and taxes	4.31	2.01
Recruitment expenses	2.17	0.65
Repairs and maintenance	1.03	0.66
Marketing Expenses	10.63	2.11
CSR expenses (Refer Note 36)	1.33	-
Recovery of shared cost from fellow subsidiary (Refer Note 35.2)	(56.68)	(39.61)
<b>Total</b>	<b>261.34</b>	<b>211.53</b>

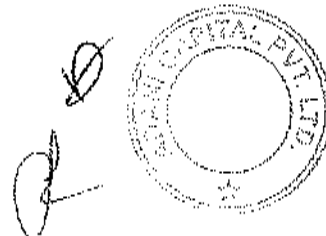
#### 35.1 Payment to the auditors:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>As Auditor</b>		
Audit fees	3.78	3.00
Certification and other matters	0.81	0.17
Reimbursement of expenses	0.01	0.04
GST	0.11	0.12
<b>Total*</b>	<b>4.71</b>	<b>3.33</b>

\* Amount includes Goods and service tax for which input credit has been disallowed

#### 35.2 Recovery of shared cost from fellow subsidiary:

Adani Capital Private Limited (ACPL) incurs expenditure like rent, electricity charges etc. which is for the common benefit of itself and its fellow subsidiary Adani Housing Finance Private Limited (AHFPL). This cost so expended is recovered by ACPL based on the actual expenditure incurred, the number of employees and volume of business etc.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 36 Corporate social responsibility expenditure

The provisions of Section 135 of the Companies Act, 2013 ('The Act') with respect to Corporate Social Responsibility became applicable to the Company during the year. The said provisions were not applicable to the Company till end of previous year as the Company did not meet any of the three criteria mentioned in the Act.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1. Amount required to be spent by the company during the year	1.33	-
2. Amount of expenditure incurred on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1.33	-
3. Shortfall at the end of the year*	-	-
4. Total of previous years shortfall	-	-
5. Reason for shortfall	Not Applicable	Not Applicable
6. Nature of CSR activities	1. Provision of infrastructure facilities at schools 2. Provision of food to needy people during COVID-19 pandemic	Not Applicable
7. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	Not Applicable

**\*Note:**

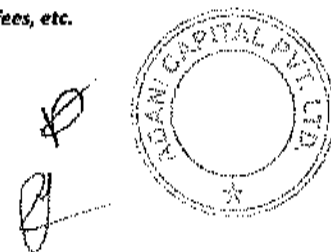
- In respect of ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the special account.
- In respect of other than ongoing projects, there are no unspent amount. Accordingly, no amount is required to be transferred to the fund.

### 37 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2021	Cash Flows (net)	Changes in Fair Value	Others (net)*	As at March 31, 2022
Debt securities	2,516.71	(20.00)	-	14.98	2,511.69
Borrowing other than debt securities	7,284.05	8,851.15	-	(18.83)	16,116.37
Subordinated liabilities	-	350.00	-	(13.04)	336.96
<b>Total</b>	<b>9,800.76</b>	<b>9,181.15</b>	<b>-</b>	<b>(16.89)</b>	<b>18,965.02</b>

Particulars	As at April 1, 2020	Cash Flows (net)	Changes in Fair Value	Others (net)*	As at March 31, 2021
Debt securities	984.52	1,520.00	-	12.19	2,516.71
Borrowing other than debt securities	7,492.35	(141.95)	-	(66.35)	7,284.05
Subordinated liabilities	-	-	-	-	-
<b>Total</b>	<b>8,476.87</b>	<b>1,378.05</b>	<b>-</b>	<b>(54.16)</b>	<b>9,800.76</b>

\* Others column includes the effect of accrued but not paid interest on borrowings, amortisation of processing fees, etc.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 3B Employee Benefits

#### a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs. 49.80 Million (FY: Rs 30.01 Million) for year ended March 31, 2022, for provident fund and other contributions in the Statement of profit and loss.

#### b. Defined Benefit Plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation pertaining to present value of the defined benefit obligation (DBO) for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

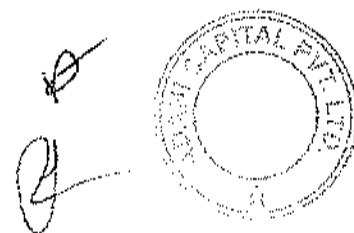
Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation (A)	16.79	11.84
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	16.79	11.84
Net deficit / (assets) are analysed as:		
Liabilities - (Refer Note 24)	16.79	11.84

#### Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Opening balance	11.84	7.62	-	-	11.84	7.62
Current service cost	7.46	4.26	-	-	7.46	4.26
Interest cost (Income)	0.63	0.46	-	-	0.63	0.46
Benefits Paid	-	(0.01)	-	-	-	(0.01)
Liability Transfer In	2.06	0.00	-	-	2.06	0.00
Liability Transfer (Out)	-	(0.80)	-	-	-	(0.80)
	21.99	11.53	-	-	21.99	11.53
Other comprehensive income						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in demographic assumptions	(5.97)	-	-	-	(5.97)	-
Experience variance	0.55	(0.53)	-	-	0.55	(0.53)
Change in Financial assumptions	0.22	0.84	-	-	0.22	0.84
	(5.20)	0.31	-	-	(5.20)	0.31
Closing balance	16.79	11.84	-	-	16.79	11.84
Represented by						
Net defined liability					16.79	11.84
					16.79	11.84



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**Components of defined benefit plan cost:**

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
<b>Recognised in statement of profit or loss</b>		
Current service cost	7.46	4.26
Interest cost/ (Income) (net)	0.63	0.46
<b>Total</b>	<b>8.09</b>	<b>4.72</b>
<b>Recognised in other comprehensive income</b>		
Actuarial loss (gain) arising from:		
Change in demographic assumptions	(5.97)	-
Experience variance	0.55	(0.53)
Change in Financial assumptions	0.22	0.84
<b>Total</b>	<b>(5.20)</b>	<b>0.81</b>

**Actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Discount rate	5.10%	5.30%
Salary growth rate	8.00%	8.00%
Withdrawal/attrition rate (based on categories)	46.20%	25.10%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Expected weighted average remaining working lives of employees	26.55 years	25.83 years

**Notes:**

a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

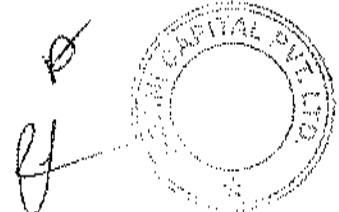
c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

**Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%) (% change compared to base due to sensitivity)	17.24 2.70%	16.35 -2.60%	12.48 5.40%	11.24 -5.10%
Discount Rate (+/- 1%) (% change compared to base due to sensitivity)	16.35 -2.60%	17.26 2.80%	11.23 -5.20%	12.51 5.60%
Attrition Rate (+/- 50% of attrition rates) (% change compared to base due to sensitivity)	12.64 -24.70%	23.55 40.30%	8.79 -25.80%	16.46 39.00%
Mortality Rate (-/+ 10% of mortality rates) (% change compared to base due to sensitivity)	16.79 0.00%	16.79 0.00%	11.84 0.00%	11.84 0.00%

The Sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There is no change in the method of valuation for the prior period.



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**Maturity profile of Defined Benefit Obligation**

Expected cash flows over the next (valued on undiscounted basis):	As at March 31, 2022	As at March 31, 2021
1 years	4.30	0.46
2 to 5 years	13.03	7.95
6 to 10 years	1.98	5.28
More than 10 Years	0.13	2.49

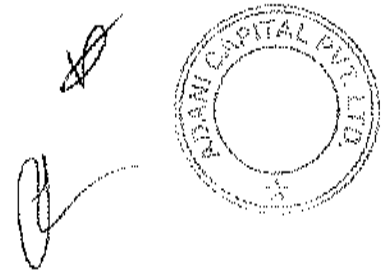
**Experience adjustments**

Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligations	16.79	11.84
Fair value of plan assets	-	-
Asset/(liability) recognized in the balance sheet	16.79	11.84
Experience adjustment on plan liabilities	0.55	(0.53)

**c. Compensated absences:**

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligation	30.48	20.96
Expenses recognised in the Statement of Profit and Loss	9.52	6.41
<b>Assumption</b>		
Discount Rate	5.10%	5.30%
Salary growth rate	8.00%	8.00%
Withdrawal/attrition rate (based on categories)	46.20%	25.10%



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 39 Tax expense

#### (a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current tax expense</b>		
Current year	12.33	11.30
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	35.30	27.16
<b>Tax expense for the year</b>	<b>47.63</b>	<b>38.46</b>

#### (b) Amounts recognised in other comprehensive income

March 31, 2022

Particulars	Before tax	Tax (expense)	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of defined benefit liability (asset)	5.19	(1.31)	3.88
<b>Total</b>	<b>5.19</b>	<b>(1.31)</b>	<b>3.88</b>

March 31, 2021

Particulars	Before tax	Tax (expense)	Net of tax
<b>Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of defined benefit liability (asset)	(0.31)	0.08	(0.23)
<b>Total</b>	<b>(0.31)</b>	<b>0.08</b>	<b>(0.23)</b>

#### (c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Profit before tax as per Statement of profit and loss</b>	<b>119.56</b>	<b>201.23</b>
<b>Applicable income tax rate (%)</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Tax expense calculated at applicable income tax rate</b>	<b>30.09</b>	<b>50.64</b>
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax</b>		
Utilisation of brought forward losses	-	(9.30)
Unused tax credits (MAT Credit)	-	(5.40)
Deduction under section 35 D	-	(0.03)
Deduction under section 36 (1) (viii)	-	(0.59)
Changes in Fair Value	-	0.12
Other adjustments	17.54	3.02
<b>Income tax expense recognised in profit and loss</b>	<b>47.63</b>	<b>38.46</b>
<b>Effective Tax Rate</b>	<b>39.84%</b>	<b>19.11%</b>

Note: The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2022 and re-measured its Deferred tax assets/liability basis the rate prescribed in the aforesaid section and recognised the effect of change by revising the annual effective income tax rate.



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## ADANI CAPITAL PRIVATE LIMITED

### Notes to the Financial Statements for the year ended March 31, 2022

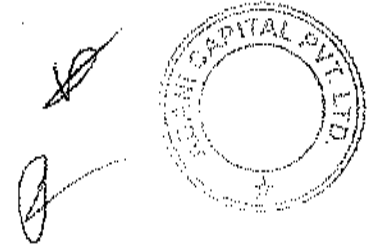
(All amounts in Rs. in Millions unless otherwise stated)

#### 40 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit attributable to equity shareholders of the Company - A	71.93	162.77
Weighted average number of shares (Basic) - B	1,73,14,940	1,72,99,996
Dilutive impact of potential equity shares for employee stock options outstanding	52,207	17,784
Weighted average number of shares (Diluted) - C	1,73,67,147	1,73,17,780
Basic earnings per share (in Rupees) (A/B)	4.15	9.41
Diluted earnings per share (in Rupees) (A/C)	4.14	9.40



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 41 Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

#### a. Contingent Liability

There are no contingent liabilities as at 31 March 2022 as well as at 31 March 2021.

#### b. Commitments

Particular	As at March 31, 2022	As at March 31, 2021
<b>Commitment in respect of:</b>		
Capital expenditure	4.16	118.28
Loans sanctioned but not disbursed	1,345.03	776.83

42 For the loans pertaining to Farm Equipment and Commercial Vehicle business amounting to Rs. 1,601.64 Million (PY - Rs. 1,088.84 Million) as at March 31, 2022, the Management is in the process of collection of Registration Certificate Book (RC Book) from the customers.

43 In case of Vehicle Loans for Farm Equipment business amounting to Rs. 51.45 Million (PY - Rs. 11.72 Million) as at March 31, 2022, first default loss guarantee is provided by equipment manufacturer to the extent of 50%.

44 In respect of secured loans for MSME business amounting to Rs. 62.92 Million (PY - Rs. 32.29 Million) disbursed, the Company is in the process of perfecting the security.

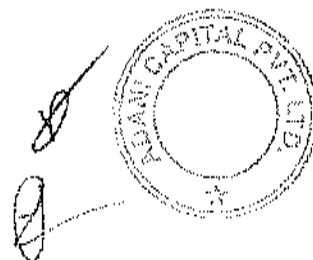
45 Receivable / Payable balance in foreign currency – Rs. Nil (PY – Rs. Nil). The Company does not have any unhedged foreign currency exposure as on March 31, 2022 (PY - Nil).

### 46 Segment information

The Company operates in a single reportable segment i.e. lending, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic. Hence, there are no separate reportable segments, as required by the Ind AS 108 on 'Segment Reporting'.

### 47 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 48 Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	4,136.80	-	4,136.80	1,431.53	-	1,431.53
Bank balances other than cash and cash equivalents	1,230.74	50.87	1,281.61	-	-	-
Receivables						
(i) Trade receivables	7.29	-	7.29	1.95	-	1.95
Loans	6,847.18	11,935.60	18,782.78	5,066.81	6,585.85	11,652.66
Other Financial assets	188.62	149.15	337.77	119.41	65.20	184.61
<b>Sub total</b>	<b>12,410.63</b>	<b>12,135.62</b>	<b>24,546.25</b>	<b>6,619.70</b>	<b>6,651.05</b>	<b>13,270.75</b>
<b>Non-financial assets</b>						
Current Tax assets (Net)	-	38.66	38.66	-	37.59	37.59
Deferred Tax assets (Net)	-	-	-	-	19.48	19.48
Property, plant and equipment	-	304.78	304.78	-	192.90	192.90
Capital work-in-progress	-	0.18	0.18	-	-	-
Intangible assets under development	-	23.38	23.38	-	0.09	0.09
Other intangible assets	-	122.77	122.77	-	133.76	133.76
Other non-financial assets	67.66	-	67.66	30.08	-	30.08
<b>Sub total</b>	<b>67.66</b>	<b>489.77</b>	<b>557.43</b>	<b>30.08</b>	<b>383.82</b>	<b>413.90</b>
<b>Total assets</b>	<b>12,478.29</b>	<b>12,625.39</b>	<b>25,103.68</b>	<b>6,649.78</b>	<b>7,034.87</b>	<b>13,684.65</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Payables						
(i) Trade payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	60.19	-	60.19	65.89	-	65.89
(ii) Other payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3.85	-	3.85	5.93	-	5.93
Debt securities	2,012.35	499.34	2,511.69	1,021.34	1,495.37	2,516.71
Borrowings (Other than Debt Securities)	6,183.45	9,932.92	16,116.37	2,887.35	4,396.70	7,284.05
Subordinated Liabilities	0.09	336.87	336.96	-	-	-
Other Financial liabilities	628.81	183.84	812.65	69.50	132.29	201.79
<b>Sub total</b>	<b>8,888.74</b>	<b>10,952.97</b>	<b>19,841.71</b>	<b>4,050.01</b>	<b>6,024.36</b>	<b>10,074.37</b>
<b>Non-Financial liabilities</b>						
Provisions	21.47	25.80	47.27	21.52	24.54	46.06
Deferred tax liabilities (net)	-	17.13	17.13	-	-	-
Other non-financial liabilities	77.23	-	77.23	61.89	-	61.89
<b>Sub total</b>	<b>98.70</b>	<b>42.93</b>	<b>141.63</b>	<b>83.41</b>	<b>24.54</b>	<b>107.95</b>
<b>Total liabilities</b>	<b>8,987.44</b>	<b>10,995.90</b>	<b>19,983.34</b>	<b>4,133.42</b>	<b>6,048.90</b>	<b>10,182.32</b>
<b>Net Assets / (Liabilities) (A - B)</b>	<b>3,490.85</b>	<b>1,629.49</b>	<b>5,120.34</b>	<b>2,516.36</b>	<b>985.97</b>	<b>3,502.33</b>



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

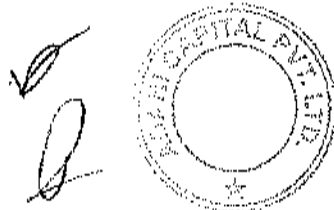
### 49 Related Party Disclosure

#### a. Name of related party and nature of relationship:

Name of Related Parties by whom control is exercised	
Ultimate holding company	Adani Properties Private Limited
Holding company	Adani Finserve Private Limited
Fellow subsidiary company	Adani Housing Finance Private Limited Adani Special Situations Private Limited Adani Digital Services Private Limited
Enterprise under common control	Adani Hospitals Mundra Private Limited Adani Foundation
Key management personnel	Mr. Sagar R. Adani (Director) Mr. Gaurav Gupta (Managing Director & CEO - w.e.f 31 March 2021 and Director upto 30 March 2021) Mr. Viral Shah (CFO - w.e.f. 9 March 2021) Mr. Bhavik Shah (Company Secretary) (Till 11 November 2021) Mr. Jitendra Chaturvedi (Company Secretary) (w.e.f 11 November 2021)
Relative of key management personnel	Mrs. Anjali Gupta

#### b. Transaction with related parties:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Current account transactions:</b>		
<b>Inter-corporate deposits received:</b>		
Adani Finserve Private Limited	-	119.00
<b>Inter-corporate deposits repaid:</b>		
Adani Finserve Private Limited	-	269.00
<b>Interest on inter-corporate deposits paid:</b>		
Adani Finserve Private Limited	-	3.78
<b>Issue of Equity Shares including premium:</b>		
Adani Finserve Private Limited	1,500.00	-
<b>Reimbursement of expenses:</b>		
Adani Housing Finance Private Limited - Receivable	56.68	46.15
Adani Finserve Private Limited - Reimbursement of share based payment to employees - Receivables	11.28	6.75
Adani Finserve Private Limited - Transfer of Employees Gratuity liability of erstwhile employee of company - Payable	-	0.80
Adani Finserve Private Limited - Transfer of Employees Gratuity liability of erstwhile employee of AFPL - Receivable	2.05	-
Adani Finserve Private Limited - Payable	-	0.74
Adani Housing Finance Private Limited - Other Reimbursement Receivable	0.05	-
<b>Others:</b>		
Adani Hospitals Mundra Private Limited	0.22	-
Adani Foundation	1.33	-
<b>Rent paid:</b>		
Mr. Gaurav Gupta	3.88	3.88
Mrs. Anjali Gupta	3.88	3.88
Adani Properties Private Limited	1.24	1.14
<b>Remuneration:</b>		
Mr. Gaurav Gupta (w.e.f 31st March 2021)	29.99	-
Mr. Viral Shah (w.e.f 9th March 2021)	8.57	0.38
Mr. Bhavik Shah (Till 11th November 2021)	0.86	1.05
Mr. Jitendra Chaturvedi (w.e.f 11th November 2021)	0.62	-

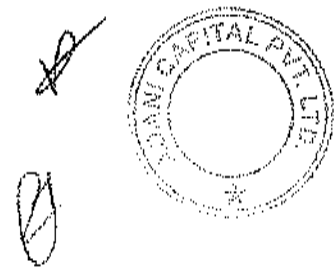


**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

**c. Transactions outstanding at year end**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Amount Receivable:</b>		
Adani Housing Finance Private Limited	65.81	46.15
Adani Finserve Private Limited		
Share Based Payment to Employees	18.03	6.75
<b>Amount Payable:</b>		
Adani Finserve Private Limited		
Reimbursement of Expenses	-	0.74
Transfer of Employees Gratuity Liability	-	0.80
Adani Hospitals Mundra Private Limited		
Others	0.22	-



## ADANI CAPITAL PRIVATE LIMITED

### Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

#### 50 Leases

##### Company as a Lessee

The Company has entered into lease contracts for premises at various locations. Leases of premises generally have lease terms between 5 to 9 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of premises which are cancellable in nature and leases for printers with lease term of 12 months or less for which the Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions.

a. For carrying amounts of right of use assets (included under 'Property, Plant & Equipment') and the movements during the period refer Note 14

b. Carrying amounts of lease liabilities (included under 'Other Financial Liabilities') and the movements during the period:

Particulars	As at March 31, 2022	As at March 31, 2021
As at 1st April	147.64	153.84
Additions	101.04	24.78
Disposals	-	(12.77)
Accretion of interest	17.63	15.08
Payments	(41.21)	(33.29)
As at 31st March	225.10	147.64

c. Maturity analysis of lease liabilities is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Within 12 months	42.24	20.28
After 12 months	182.86	127.36
Total	225.10	147.64

d. Amounts recognised in statement of profit or loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	35.10	27.39
Interest expense on lease liabilities	17.63	15.08
Expense relating to short-term leases and low value items (included in other expenses)	18.79	18.03
Total amount recognised in profit or loss	71.52	60.50

e. Cash flows and additions to assets / liabilities:

The Company had total cash outflows for leases of Rs. 60.00 Million for the year ended March 31, 2022 (PY - Rs. 51.32 Million). The Company also had non-cash additions to right-of-use assets of Rs. 104.75 Million for the year ended March 31, 2022 (PY - Rs. 25.17 Million) and lease liabilities of Rs. 101.04 Million for the year ended March 31, 2022 (PY - Rs. 24.78 Million).

f. Future Commitments:

Particulars	As at March 31, 2022	As at March 31, 2021
Future undiscounted lease payments for which the leases have not yet commenced	Nil	Nil

g. Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2022.

h. The company had applied the practical expedient to all rent concessions as it met the conditions mentioned in paragraph 46A & 46B of Ind AS 116 - 'Leases' and the amount recognised in the Statement of Profit or loss for the previous year ended March 31, 2021 to reflect changes in lease payments that arise from rent concessions was Rs. 1.26 millions (March 31, 2022 - NIL).



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 51 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators i.e. Reserve Bank of India (RBI) and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. The capital management policy is under constant review by the Board.

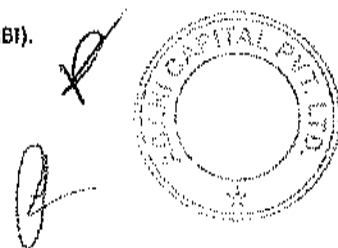
#### Regulatory Capital

The below regulatory capital is computed in accordance with Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 issued by Reserve Bank of India.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital Funds</b>		
Net owned funds (Tier I capital)	4,631.66	3,211.92
Tier II capital	457.59	77.58
<b>Total capital funds</b>	<b>5,089.25</b>	<b>3,289.50</b>
<b>Total risk weighted assets/ exposures</b>	<b>20,597.08</b>	<b>12,779.62</b>
<b>% of capital funds to risk weighted assets exposures:</b>		
Tier I capital	22.49%	25.13%
Tier II capital	2.22%	0.61%
<b>Total capital Funds</b>	<b>24.71%</b>	<b>25.74%</b>

Regulatory capital consists of Tier I capital, which comprises share capital, share premium, retained earnings including current year's profit less accrued dividends. Certain adjustments are made to Ind AS – based results and reserves, as prescribed by the Reserve Bank of India. The other component of regulatory capital is Tier II Capital, which includes subordinated debt.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI).



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 52 Fair Value Measurement

#### A. Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques. Refer Note 5.10 - Determination of Fair Value (Accounting policy Note) for more details on fair value hierarchy.

#### B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

#### C. Fair value hierarchy of financial assets and financial liabilities

The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values.

As at March 31, 2022

Particular	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial Assets</b>					
Cash and cash equivalents	4,136.80	-	-	-	4,136.80
Bank balances other than cash and cash equivalents	1,281.61	-	-	-	1,281.61
Trade Receivables	7.29	-	-	-	7.29
Loans	18,782.78	-	-	-	18,782.78
Other financial assets	337.77	-	-	-	337.77
<b>Total Financial Assets</b>	<b>24,546.25</b>	-	-	-	<b>24,546.25</b>
<b>Financial Liabilities</b>					
Trade Payables	64.04	-	-	-	64.04
Debt Securities	2,511.69	-	-	-	2,511.69
Borrowings (Other than Debt Securities)	16,116.37	-	-	-	16,116.37
Subordinated Liabilities	336.96	-	-	-	336.96
Other Financial Liabilities	812.65	-	-	-	812.65
<b>Total Financial Liabilities</b>	<b>19,841.71</b>	-	-	-	<b>19,841.71</b>



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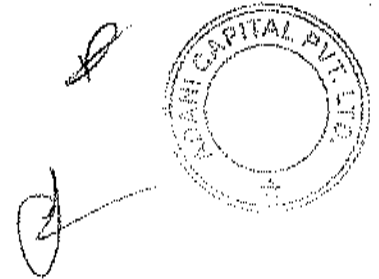
**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

As at March 31, 2021

Particular	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial Assets</b>					
Cash and cash equivalents	1,431.53	-	-	-	1,431.53
Trade Receivables	1.95	-	-	-	1.95
Loans	11,652.66	-	-	-	11,652.66
Other financial assets	184.61	-	-	-	184.61
<b>Total Financial Assets</b>	<b>13,270.75</b>	-	-	-	<b>13,270.75</b>
<b>Financial Liabilities</b>					
Trade Payables	71.82	-	-	-	71.82
Debt Securities	2,516.71	-	-	-	2,516.71
Borrowings	7,284.05	-	-	-	7,284.05
Other Financial Liabilities	201.79	-	-	-	201.79
<b>Total Financial liabilities</b>	<b>10,074.37</b>	-	-	-	<b>10,074.37</b>



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 53 Risk Management

#### Introduction and risk profile

Risk is an inherent part of Company's business activities. When the Company extends a corporate or retail loan, buys or sells securities in market, or offers other products or services, the Company takes on some degree of risk. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company believes that effective risk management requires:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company ;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate ; and
- 3) Firmwide structures for risk governance
- 4) Robust underwriting policy
- 5) Portfolio Monitoring process
- 6) Fraud detection and prevention process

The Company strives for continual improvement through efforts to enhance controls, ongoing employee training and development and other measures.

#### Risk Management Structure

We have a well-defined risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by independent risk management team.

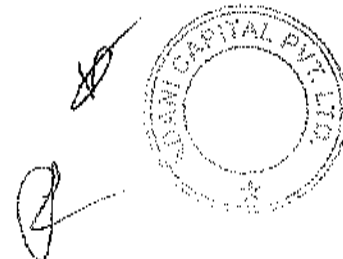
Our risk management policy ensures that the margin requirements are conservative to be able to withstand market volatility and scenarios of sharply declining prices. As a result, we follow conservative lending norms.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board, has empowered the Risk Management team, which has an independent Head who is responsible for developing and monitoring the Company's risk management policies. On a periodic basis the Head of Risk appraises the Board on the overall risks, recommends change in the processes and policies and takes stock of the overall portfolio quality and key risk indicators.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Our key business processes are regularly monitored by the head of our business or operations. Our loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.



## ADANI CAPITAL PRIVATE LIMITED

### Notes to the Financial Statements for the year ended March 31, 2022

*(All amounts in Rs. in Millions unless otherwise stated)*

At all levels of the Company's operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

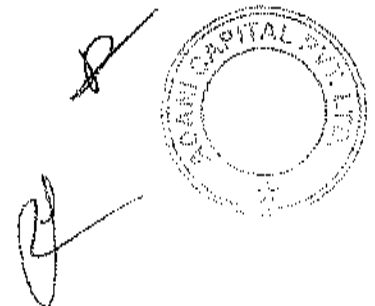
It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant members of the Company in the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

#### **Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 53.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparties to financial instrument fails to discharge their contractual obligations and arises principally from Company's loans and advances to customer, Trade Receivables and Investment. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. The company has adopted a policy of dealing with credit worthy counter parties and obtain sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from default.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The Credit quality review process aims to allow the Company to assess the potential loss as result of the risk to which it is exposed and take corrective action.

The Company's internal rating graded on days past due (DPD) basis:-

Internal Rating Description	Staging
0 DPD to 30 DPD	Stage 1
31 to 90 DPD	Stage 2
90+ DPD	Stage 3

#### 53.1.1: Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

- The Company's definition and assessment of default and cure (Note 53.1.1.1).
- How the Company defines, calculates and monitors the probability of default, exposure at default and loss given default (Notes 53.1.1.2 to 53.1.1.4).
- When the Company considers there has been a significant increase in credit risk of an exposure (Note 53.1.1.5)
- The Company's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 53.1.1.6)
- The details of the ECL calculations for Stage 1, Stage 2 and Stage 3 assets (Note 10.1)

#### 53.1.1.1: Definition of default and cure

The company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include exposure to sector which is facing some challenging time in terms of demand and supply mismatch, funding issue that may indicate unlikelihood to pay etc.

#### 53.1.1.2 PD estimation process

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. In the absence of sufficient history of default the company has primarily sourced the PDs from external default reports published by various rating agencies.

#### 53.1.1.3 Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

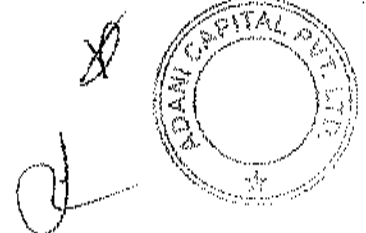
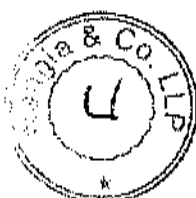
#### 53.1.1.4 Loss given default

The LGD represents expected losses on the EAD given the event of default, taking into account among other attributes the mitigating effect of collateral value at the time it is expected to be realized and the time value of money. The LGD is computed in the following manner:

- In case of Commercial vehicle and Farm Equipments portfolio the LGD percentage is determined based on the recovery experience from closed cases.
- In case of loans to MSME Sector and term loans to Corporate customers the LGD percentage is determined based on the estimated value of recovery from the sale of collateral after considering reasonable haircuts as determined appropriate by the management where latest fair value of collateral is not available with the management and
- In case of other portfolios proxy LGD percentage as prescribed by the regulatory authority (FIRB Approach) is considered.

#### 53.1.1.5 Significant increase in credit risk

When determining whether the credit risk has increased significantly since Initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The company considers an exposure to have significantly increased in credit risk when the borrower crosses 30 DPD but is within 90 DPD.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 53.1.1.6 Grouping financial assets measured on a collective basis

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, loans are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The Company combines these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans, the company has determined the following pools for the purpose of computing ECL:

- Commercial Vehicle
- Farm Equipments
- MSME
- Corporate Loans
- Supply Chain Finance
- Other Retail Loans

### 53.1.1.7 Forward looking Adjustment

A measure of ECL is an unbiased probability weighted amount that is determined by evaluating a range of possible outcomes and using a reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. In the current year the management has incorporated the impact of forward looking estimate through management overlay. The impact of COVID-19 on the global economy and how government, business and consumer respond is uncertain, the methodology and assumption applied to compute the ECL remains unchanged however the management has separately incorporated certain judgements and assumptions specifically to incorporate the impact of COVID-19 pandemic.

### 53.1.2 Analysis of risk concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligation to be similarly affected by change in economic, political or other condition. Concentration indicate the relative sensitivity of the Company's performance to development affecting a particular industry or geographical location.

The following table shows the risk concentration by industry for the components of the balance sheet. Additional disclosures for credit quality and the maximum exposure for credit risk per categories based on the Company's internal rating grade and year-end stage classification are further disclosed in Note 10.1.

#### Industry Analysis

31-Mar-22	Financial Services	Real Estate Loans	Retail Loans	Total
<b>Financial assets</b>				
Cash and cash equivalents	4,136.80	-	-	4,136.80
Bank balances other than cash and cash equivalents	1,281.61	-	-	1,281.61
Trade and other receivables	7.29	-	-	7.29
Loans	-	10.61	18,772.17	18,782.78
Other Financial Assets	327.77	-	-	327.77
<b>Total</b>	<b>5,753.47</b>	<b>10.61</b>	<b>18,772.17</b>	<b>24,546.25</b>

31-Mar-21	Financial Services	Real Estate Loans	Retail Loans	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,431.53	-	-	1,431.53
Bank balances other than cash and cash equivalents	-	-	-	-
Trade and other receivables	1.95	-	-	1.95
Loans	-	312.90	11,339.76	11,652.66
Other Financial Assets	184.61	-	-	184.61
<b>Total</b>	<b>1,618.09</b>	<b>312.90</b>	<b>11,339.76</b>	<b>13,270.75</b>

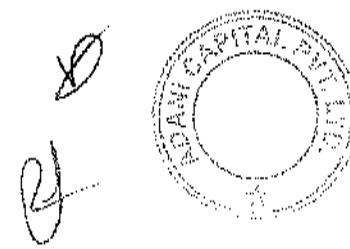
### 53.1.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The main types of collateral obtained are, as follows:

- For corporate lending, land, buildings, residential properties and development rights of an under construction property
- For retail lending, mortgage property mainly residential property, vehicle, farm equipment

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale.



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

The tables on the following pages show the maximum exposure to credit risk by class of financial asset along with details on collateral held against exposure.

	Maximum exposure to credit risk		Principal type of collateral
	As at March 31, 2022	As at March 31, 2021	
<b>Financial assets</b>			
Cash and cash equivalents	4,136.80	1,431.53	
Bank balances other than cash and cash equivalents	1,281.61	-	
<b>Receivables</b>			
(i) Trade receivables	7.29	1.95	
(ii) Other receivables			
<b>Loans Secured</b>	16,188.32	9,325.85	land, buildings, residential properties and development rights of an under construction property, mortgage property mainly residential property, vehicle, farm equipment.
<b>Loans Unsecured</b>	2,830.98	2,503.44	
<b>Other financial assets</b>	337.77	184.61	

The Company has an Undrawn loans & advances commitment amounting to Rs. 1,345.03 mn (PY: Rs. 776.83 mn)

**Collateral and other credit enhancements**

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

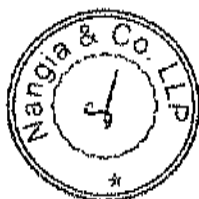
Particulars	Maximum exposure to credit risk			
	Carrying amount before ECL	Associated ECL	Carrying amount	Fair Value of Collateral
<b>Loans</b>				
<b>Retail Loans</b>				
31-Mar-22	283.82	99.48	184.34	529.35
31-Mar-21	163.20	82.46	80.73	291.32

**Narrative description of Collateral**

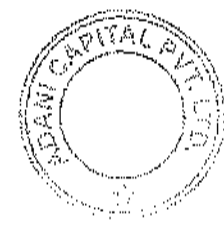
Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of MSME customers.

**Quantitative information of Collateral**

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral.



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 53.2 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

To limit this risk, management has arranged for diversified funding sources and has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on regular basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of cash, cash equivalents and high grade collateral which could be used to secure additional funding if required.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company.

#### Advances to borrowings ratio

Particulars	As at March 31, 2022	As at March 31, 2021
Year-end	99.04%	118.90%

Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

#### Analysis of financial assets and liabilities by remaining contractual maturities

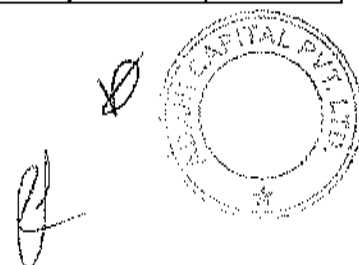
The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

##### As at March 31, 2022

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>						
Cash and cash equivalents	4,136.80	6.16	-	-	-	4,142.96
Bank balances other than cash and cash equivalents	-	20.62	1,232.25	53.01	-	1,305.88
Trade Receivables	-	7.18	0.30	0.13	-	7.61
Loans	-	4,792.09	4,795.41	13,590.78	4,871.48	28,049.70
Other Financial assets	-	123.40	65.35	144.32	12.52	345.59
<b>Total undiscounted financial assets</b>	<b>4,136.80</b>	<b>4,949.39</b>	<b>6,093.31</b>	<b>13,788.24</b>	<b>4,884.00</b>	<b>33,851.74</b>
<b>Financial liabilities</b>						
Trade Payables	3.82	41.19	19.03	-	-	64.04
Debt securities	-	1,039.92	1,123.86	511.32	-	2,675.10
Borrowings (Other than Debt Securities)	-	1,437.06	5,887.21	11,328.03	-	18,652.30
Subordinated Liabilities	-	34.13	34.13	102.47	393.81	564.54
Other Financial liabilities	-	596.56	32.25	127.31	56.53	812.65
<b>Total undiscounted financial liabilities</b>	<b>3.82</b>	<b>3,148.86</b>	<b>7,096.48</b>	<b>12,069.13</b>	<b>450.34</b>	<b>22,768.63</b>
<b>Total net financial assets / (liabilities)</b>	<b>4,132.98</b>	<b>1,800.53</b>	<b>(1,003.17)</b>	<b>1,719.11</b>	<b>4,433.66</b>	<b>11,083.11</b>

##### As at March 31, 2021

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,431.53	1.30	-	-	-	1,432.83
Trade Receivables	-	2.02	-	-	-	2.02
Loans	-	3,691.13	3,012.85	7,800.30	2,347.76	16,852.04
Other Financial assets	-	75.26	48.93	67.99	7.82	200.00
<b>Total undiscounted financial assets</b>	<b>1,431.53</b>	<b>3,769.71</b>	<b>3,061.78</b>	<b>7,868.29</b>	<b>2,355.58</b>	<b>18,486.89</b>
<b>Financial liabilities</b>						
Trade Payables	-	74.42	16.59	-	-	91.01
Debt securities	-	61.25	1,155.02	1,569.93	-	2,786.20
Borrowings (Other than Debt Securities)	-	767.68	2,643.55	5,003.54	-	8,414.77
Other Financial liabilities	-	86.60	26.03	133.04	31.34	277.01
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>989.95</b>	<b>3,841.19</b>	<b>6,706.51</b>	<b>31.34</b>	<b>11,568.99</b>
<b>Total net financial assets / (liabilities)</b>	<b>1,431.53</b>	<b>2,779.76</b>	<b>(779.41)</b>	<b>1,161.78</b>	<b>2,324.24</b>	<b>6,917.90</b>



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
 (All amounts in Rs. in Millions unless otherwise stated)

**Contractual expiry of commitments**

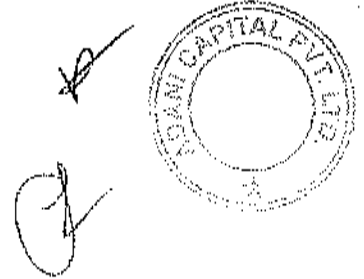
The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2022

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	4.16	-	-	4.16
<b>Total</b>	-	-	<b>4.16</b>	-	-	<b>4.16</b>

As at March 31, 2021

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Estimated amount of contracts capital account	-	-	118.28	-	-	118.28
<b>Total</b>	-	-	<b>118.28</b>	-	-	<b>118.28</b>



**ADANI CAPITAL PRIVATE LIMITED**

**Notes to the Financial Statements for the year ended March 31, 2022**

(All amounts in Rs. in Millions unless otherwise stated)

**53.3 Disclosure as per RBI circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019**

RBI has issued guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 4, 2019. As per the guidelines, the disclosure on liquidity risk as at March 31, 2022 is as under:

**A. Funding Concentration based on significant counterparty**

Financial Year	Number of Significant Counterparties	Amount (Rs. in Millions)	% of Total Deposits	% of Total Liabilities
2021-22	19	18,365.47	NA	91.90%
2020-21	16	9,696.37	NA	95.23%

**Note:**

"Significant Counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserves and Surplus.

**B. Top 20 large deposits (amount in Rs. Millions and % of total deposits)**

Nil. The Company is registered with RBI as Non Deposit accepting NBFC.

**C. Top 10 borrowings (amount in Rs Millions & % of total borrowings\*)**

Amount	% of Total Borrowings
12,943.44	68%
8,776.42	89%

**D. Funding Concentration based on significant instrument / product:**

As at 31st March, 2022

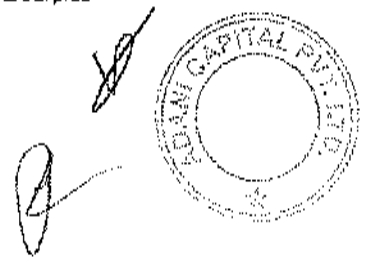
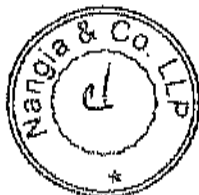
Sr No	Name of the Instrument/product	Number of Counterparties	Amount (Rs in Millions)	% of Total Liabilities
1	Long Term Bank Loans	19	14,113.75	70.63%
2	Short Term Loans	2	1,999.89	10.01%
3	Long Term NCD	2	1,507.73	7.54%
4	Short Term NCD	1	1,003.96	5.02%
5	Subordinated Debt	146	336.96	1.69%
6	Commercial Paper	-	Nil	-
	<b>Total</b>	<b>168#</b>	<b>18,962.29</b>	<b>94.89%</b>

- \* Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus
- # Two bank has sanctioned both long term loans & long term NCD

As at 31st March, 2021

Sr No	Name of the Instrument/product	Number of Counterparties	Amount (Rs in Millions)	% of Total Liabilities
1	Long Term Bank Loans	16	7,265.10	71.35%
2	Short Term Loans	2	66.00	0.65%
3	Long Term NCD	3	2,500.00	24.55%
4	Short Term NCD	-	-	-
5	Subordinated Debt	-	-	-
6	Commercial Paper	-	-	-
	<b>Total</b>	<b>18#</b>	<b>9,831.10</b>	<b>96.55%</b>

- \* Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus
- # Two bank has sanctioned both long term loans & long term NCD



**ADANI CAPITAL PRIVATE LIMITED****Notes to the Financial Statements for the year ended March 31, 2022***(All amounts in Rs. in Millions unless otherwise stated)***E. Stock ratios:****As at 31st March, 2022**

Commercial papers as a % of total liabilities	N.A.
Commercial papers as a % of total assets	N.A.
Commercial papers as a % of total public fund	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	5.02%
Non-convertible debentures (original maturity of less than one year) as a % of total Assets	4.00%
Non-convertible debentures (original maturity of less than one year) as a % of public fund	N.A.
Other short-term liabilities as a % of total liabilities	44.97%
Other short-term liabilities as a % of total assets	35.80%
Other short-term liabilities as a % of public fund	N.A.

\* As on March 31, 2022, Outstanding Commercial Paper is Nil.

**As at 31st March, 2021**

Commercial papers as a % of total liabilities	N.A.
Commercial papers as a % of total assets	N.A.
Commercial papers as a % of total public fund	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of total Assets	N.A.
Non-convertible debentures (original maturity of less than one year) as a % of public fund	N.A.
Other short-term liabilities as a % of total liabilities	40.59%
Other short-term liabilities as a % of total assets	30.20%
Other short-term liabilities as a % of public fund	N.A.

\* As on March 31, 2021, Outstanding Commercial Paper is Nil.

**F. Institutional set up for liquidity risk management:**

The company has following Board approved policies for Liquidity Risk Management.

- Asset Liability Management Policy
- Interest Rate Policy
- Liquidity Management Framework
- Risk Management Policy

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

The Asset Liability Management Committee, inter alia, reviews the asset liability profile, risk monitoring system, liquidity risk management, funding and capital planning, and contingency planning.

Borrowing program has now expanded to c. Rs. 23,525 millions with limits from 22 lenders; 9 PSBs, 6 private sector banks, 3 MNC banks and other FIs. Further, Commercial Paper limits to the tune of Rs. 1500 millions are also unutilized and available.

Further, liquidity buffer of Rs. 5,753.41 millions; un-utilized bank lines – Rs. 335 millions and un-encumbered cash & Bank balance and Investments – Rs. 5,418.41 millions;

Funding Review meeting with – Director, Treasury team , Accounts team on monthly basis providing overview of liquidity, new funding discussions etc.

Liquidity Overview Report – is circulated to Management every month.



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## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 53.4 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and index movements. The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. All the positions are managed and monitored using sensitivity analyses.

#### Total market risk exposure

Particulars	As at March 31, 2022			As at March 31, 2021			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	
<b>Financial assets</b>							
Cash and cash equivalents	4,136.80	-	4,136.80	1,431.53	-	1,431.53	
Bank balances other than cash and cash equivalents	1,281.61	-	1,281.61	-	-	-	
Trade Receivables	7.29	-	7.29	1.95	-	1.95	
Loans	18,782.78	-	18,782.78	11,652.66	-	11,652.66	Interest rate risk
Other Financial assets	337.77	-	337.77	184.61	-	184.61	Interest rate risk
<b>Total financial assets</b>	<b>24,546.25</b>	<b>-</b>	<b>24,546.25</b>	<b>13,270.75</b>	<b>-</b>	<b>13,270.75</b>	
<b>Financial liabilities</b>							
Trade Payables	64.04	-	64.04	71.82	-	71.82	
Debt securities	2,511.69	-	2,511.69	2,516.71	-	2,516.71	Interest rate risk
Borrowings (Other than Debt Securities)	16,116.37	-	16,116.37	7,284.05	-	7,284.05	Interest rate risk
Subordinated Liabilities	336.96	-	336.96	-	-	-	Interest rate risk
Other Financial liabilities	812.65	-	812.65	201.79	-	201.79	Interest rate risk
<b>Total financial liabilities</b>	<b>19,841.71</b>	<b>-</b>	<b>19,841.71</b>	<b>10,074.37</b>	<b>-</b>	<b>10,074.37</b>	

#### a. Interest Rate Risk

The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

#### Interest rate sensitivity

##### Bank Borrowings

Particulars	Currency	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
As at March 31, 2022	INR	100	(74.31)	100	74.31
As at March 31, 2021	INR	100	(52.56)	100	52.56

### 54 Transfer of Financial assets

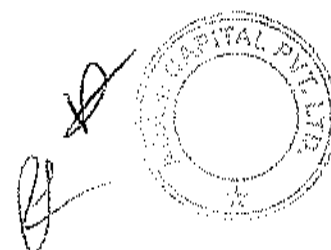
#### Assignment Transaction:

During the year ended March 31, 2022, the Company has sold loans and advances measured at amortised cost as per assignment deal. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet, to the extent of share of Assignee.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition, per type of asset.

Loans and advances measured at amortised cost	As at March 31, 2022	As at March 31, 2021
Carrying amount of derecognised financial assets	931.86	1,112.95
Gain on derecognition of financial assets	208.81	127.29



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. In Millions unless otherwise stated)

**55 Employee Stock Option Plan**

The Board of Directors took the decision to introduce Adani Employee Stock Option Plan, 2020 (hereinafter called "ESOP 2020") at the meeting held on June 28, 2020. The shareholders approved it at the Annual General Meeting held on September 26, 2020. The plan provides for the issuance of stock options to senior employees. Under the plan, the Company has issued two series of options with different vesting period. Under both the series, the options vest not earlier than 1 year and not later than 4 years from the date of the grant.

The details of the ESOP 2020 as on March 31, 2022 are :

Particulars	Series I	Series II	Series III
Options approved to be issued as ESOPs		8,64,999	
Date of Grant	October 3, 2020		January 1, 2022
Options granted	3,34,645	2,26,471	1,55,130
Method of Settlement	Equity		

The details of the ESOP as on March 31, 2021 are :

Particulars	Series I	Series II	Series III
Options approved to be issued as ESOPs		8,64,999	Not Applicable
Date of Grant	October 3, 2020		Not Applicable
Options granted	3,34,645	2,26,471	Not Applicable
Method of Settlement	Equity		Not Applicable

**a. Reconciliation of Options**

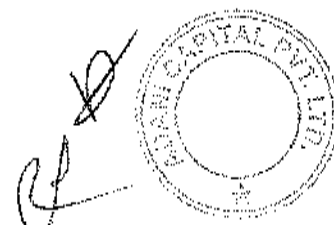
Particulars	As at March 31, 2022					
	Series I		Series II		Series III	
	Shares arising from Options	Wt. avg exercise price (INR)	Shares arising from Options	Wt. avg exercise price (INR)	Shares arising from Options	Wt. avg exercise price (INR)
Options Outstanding at the beginning of the year	2,59,444	191	1,88,562	191	-	-
Options Granted	-	-	-	-	1,55,130	279
Options Exercised	-	-	-	-	-	-
Options Reinstated	-	-	-	-	-	-
Options Lapsed	(43,423)	191	-	-	-	-
Options Forfeited	-	-	-	-	-	-
Options Outstanding at the end of the year	2,16,021	191	1,88,562	191	1,55,130	279

Particulars	As at March 31, 2021					
	Series I		Series II		Series III	
	Shares arising from Options	Wt. avg exercise price (INR)	Shares arising from Options	Wt. avg exercise price (INR)	Shares arising from Options	Wt. avg exercise price (INR)
Options Outstanding at the beginning of the year	-	-	-	-	Not Applicable	Not Applicable
Options Granted	3,34,645	191	2,26,471	191	Not Applicable	Not Applicable
Options Exercised	-	-	-	-	Not Applicable	Not Applicable
Options Reinstated	-	-	-	-	Not Applicable	Not Applicable
Options Lapsed	(75,201)	191	(37,909)	191	Not Applicable	Not Applicable
Options Forfeited	-	-	-	-	Not Applicable	Not Applicable
Options Outstanding at the end of the year	2,59,444	191	1,88,562	191	Not Applicable	Not Applicable

**b. Balance outstanding at the end of the year are as follows -**

Particulars	As at March 31, 2022	
	No.	Exercise Price (INR)
<b>Vested Options</b>		
Series I	1,72,179	191
Series II	62,226	191
Series III	-	279
<b>Unvested Options</b>		
Series I	43,442	191
Series II	1,76,336	191
Series III	1,55,130	279

Particulars	As at March 31, 2021	
	No.	Exercise Price (INR)
<b>Vested Options</b>		
Series I	-	191
Series II	-	191
Series III	Not Applicable	Not Applicable
<b>Unvested Options</b>		
Series I	2,59,444	191
Series II	1,88,562	191
Series III	Not Applicable	Not Applicable



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in millions unless otherwise stated)

**c. Weighted average remaining life of the ESOP outstanding**

Particulars	As at March 31, 2022
Series I	0.13
Series II	0.68
Series III	1.77

Particulars	As at March 31, 2021
Series I	0.76
Series II	1.52
Series III	Not Applicable

d. Following amount has been recognized as an expense and included in 'Note 33 - Employee benefit expenses' and total carrying amount at the end of the period.

Particulars	As at March 31, 2022	As at March 31, 2021
Expense arising from equity settled share based payment transaction	30.51	30.39
Carrying amount at the end of the year	79.33	37.14

**e. Fair value of the options granted**

Particulars	Series I		Series II			Series III		
	Vesting Year 1	Vesting Year 2	Vesting Year 1	Vesting Year 2	Vesting Year 3	Vesting Year 1	Vesting Year 2	Vesting Year 3
Share Price on the date of Grant (INR)	361.95	361.95	361.95	361.95	361.95	279.00	279.00	279.00
Exercise Price (INR)	191.00	191.00	191.00	191.00	191.00	279.00	279.00	279.00
Expected Volatility (%)	53.27%	50.73%	53.22%	50.73%	49.21%	58.46%	55.07%	53.93%
Life of options granted (years)	3.00	3.50	3.00	3.50	4.00	2.50	3.00	3.50
Risk free interest rate (%)	4.86%	5.06%	4.86%	5.06%	5.24%	4.88%	5.11%	5.32%
Expected dividend rate (%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fair value of options as per Black Scholes (INR)	220.05	225.00	220.05	225.00	230.36	110.41	115.97	123.79

**Risk free interest rate**

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities.

**Expected life of options**

Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life of an award of stock options shall take into account the following factors –

- The expected life must at least include the vesting period.
- The average lengths of time of similar grants have remained outstanding in the past. If the company does not have a sufficiently long history of stock option grants, the experience of an appropriately comparable peer group may be taken into consideration.
- The expected life of stock options should not be less than half of the exercise period of the stock options issued (until and unless the same is supported by historical evidences with respect to stock options issued by the company earlier).

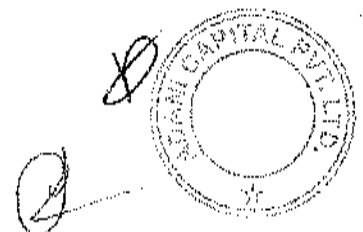
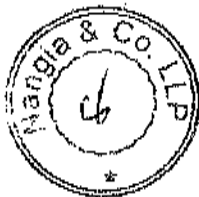
A weighted average of vests has been calculated to arrive at the value of the options granted.

**Expected volatility**

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. Since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. The Fair value of an option is very sensitive to this variable. Higher the volatility, higher is the Fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, for the probability of gaining is lesser in the latter case.

**Expected dividend yield**

Expected dividend yield has been calculated based on the dividend declared for 1 financial year prior to the date of grant. The dividend yield has been derived by dividing the dividend per share by the market price per share on the date of grant.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 56 RBI Disclosures

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

#### 56.1 Capital to Risk Asset Ratio (CRAR)

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR (%)	24.71%	25.74%
CRAR - Tier I Capital (%)	22.49%	25.13%
CRAR - Tier II Capital (%)	2.22%	0.61%
Amount of subordinated debt raised as Tier - II Capital	336.96	-
Amount raised by issue of perpetual debt instruments	-	-

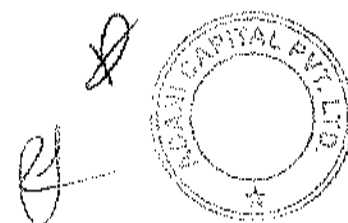
#### 56.2 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Value of Investments		
(i) Gross value of investments		
(a) In India	-	-
(a) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(a) Outside India	-	-
(b) Movements of provisions held towards impairment on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/ Written- back of excess provisions during the year	-	-
(iv) Closing balance	-	-

#### 56.3 Derivatives

##### a. Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps.	-	-
(v) The fair value of the swap book	-	-



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

**b. Exchange Traded Interest Rate (IR) Derivative**

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	-	-
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (Instrument-wise)	-	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (Instrument-wise)	-	-

**c. Disclosures on Risk exposure in derivative.**

**i Qualitative Disclosures**

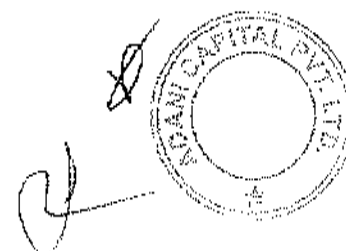
Not Applicable

**ii Quantitative Disclosures**

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions (1)	-	-
(a) Assets	-	-
(b) Liability	-	-
(III) Credit exposure	-	-
(IV) Unhedged exposure	-	-

**56.4 Securitisation**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No of SPVs sponsored by the NBFC for securitisation transactions	-	-
(ii) Total amount if securitised assets as per books of the SPVs sponsored	-	-
(iii) Total amount of exposure retained by the NBFC towards the MRR as on date of balance sheet	-	-
(a) Off-balance sheet exposure towards credit enhancements	-	-
(b) On balance sheet exposures towards credit enhancements	-	-
(iv) Amount of exposures to securitisation transactions other than MRR	-	-
(a) Off-balance sheet exposure towards credit enhancements	-	-
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-
(b) On balance sheet exposures towards credit enhancements	-	-
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 56.5 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-

### 56.6 Details of Assignment Transactions undertaken by NBFCs

Particulars	As at March 31, 2022	As at March 31, 2021
No. of accounts	1,882	4,243
Aggregate value (net of provision) of accounts assigned	931.86	1,112.95
Aggregate consideration	931.86	1,112.95
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

During the year, the Company has entered into assignment transaction amounting to Rs. 931.86 million (PY – Rs. 1,112.95 millions). On the assignment transaction, the Company has recognised upfront gain on derecognition of financial instruments amounting to Rs. 208.81 millions (PY – Rs. 127.29 millions) as day 1 gain. The unwinding on account of the actual excess interest spread realised and reversal of excess interest spread on foreclosed loans during the year is adjusted in interest income aggregating to Rs 96.86 millions (PY – Rs. 5.48 millions) and day 1 profit is not netted off for the same.

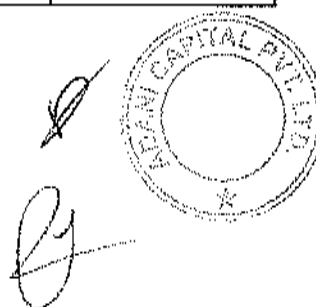
### 56.7 Details of non-performing financial assets purchased / sold

#### (i) Details of non-performing financial assets purchased:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(iii) Of these, number of accounts restructured during the year	-	-
(iv) Aggregate outstanding	-	-

#### (ii) Details of non-performing financial assets sold:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

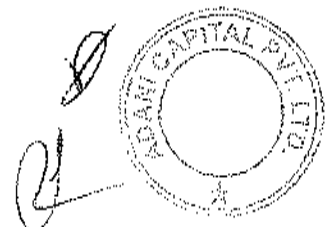
(All amounts in Rs. in Millions unless otherwise stated)

### 56.8 Exposure to Real estate sector

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Category</b>		
<b>a) Direct exposure</b>		
<b>(i) Residential mortgage:</b>		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;	10.61	14.42
<b>(ii) Commercial real estate:</b>		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	-	303.64
<b>(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:</b>		
<b>(a) Residential</b>	-	-
<b>(b) Commercial real estate</b>	-	-

### 56.9 Exposure to Capital Market

Particulars	As at March 31, 2022	As at March 31, 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; *	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	-	-

\* The Company has not made any investment in equity oriented mutual funds as at the year end

### 56.10 Financing of Parent Company Product

Particulars	As at March 31, 2022	As at March 31, 2021
Details of financing of parent company products if any	-	-

### 56.11 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Prescribed exposure limit of credit and investment concentration of single party and single group of parties has not exceeded during the year 2021-22 and 2020-21.

### 56.12 Unsecured Advances

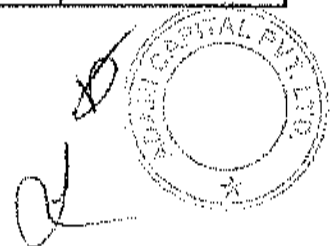
Particulars	As at March 31, 2022	As at March 31, 2021
Amount of unsecured advances given against rights, licenses, authorizations etc.	-	-
Amount of advances given against intangible securities such as charge over the rights, licenses, authority etc.	-	-

### 56.13 Registration from Other Financial Sector Regulators

Particulars	As at March 31, 2022	As at March 31, 2021
Registration from other financial regulator, if any		
1. Insurance Regulatory and Development Authority of India	IRDA	IRDA
- Registration Number	CA0628	CA0628
- Registration Date	December 31, 2021	December 31, 2018
- Registration Validity	December 30, 2024	December 30, 2021

### 56.14 Penalty

Particulars	As at March 31, 2022	As at March 31, 2021
Penalty if any levied by Regulator	-	-
<b>Total</b>	-	-



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 56.15 Credit Rating

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Nature of borrowing	Rating / Outlook	Rating / Outlook
	CRISIL	CRISIL
Short Term Bank Loans	CRISIL A1+	CRISIL A1+
Long Term Bank Loans	CRISIL AA-/Stable	CRISIL AA-/Stable
Commercial Paper	CRISIL A1+	CRISIL A1+
Non - Convertible Debentures (Short Term)	CRISIL A1+	CRISIL A1+
Non - Convertible Debentures (Long Term)	CRISIL AA-/Stable	CRISIL AA-/Stable
Subordinated Debt (Long Term)	CRISIL AA-/Stable	-

### 56.16 Provisions and contingencies

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1. Provisions for depreciation on investment	-	-
2. Provisions made towards income tax	12.33	11.30
3. Provisions towards NPAs*	17.02	63.80
3. Provisions for standard assets#	42.87	(36.13)
4. Other provision and contingencies		
Gratuity	8.08	4.72
Compensated absence	15.58	9.57
Performance Linked Incentive	-	13.26
Provision for expenses	41.19	16.76

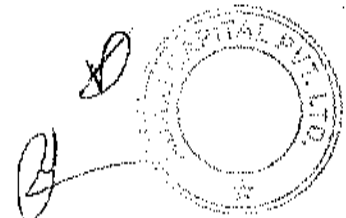
\* Represents impairment loss allowance on stage 3 loans.

# Represents impairment loss allowance on stage 1 and stage 2 loans.

### 56.17 Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934

#### Statutory Reserve

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Balance at the beginning of the year</b>		
a) Statutory reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	51.90	19.35
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
<b>Addition / appropriation / withdrawals during the year</b>		
<b>Add:</b>		
a) Amount transferred as per Section 45-IC of the Reserve Bank of India Act, 1934	14.39	32.55
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
<b>Less:</b>		
a) Amount appropriate as per Section 45-IC of the Reserve Bank of India Act, 1934	-	-
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
<b>Balance at the end of the year</b>		



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

a) Statutory reserve as per Section 45-IC of the Reserve Bank of India Act, 1934	66.29	51.90
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 45-IC of the Reserve Bank of India Act, 1934		-
<b>Total</b>	<b>66.29</b>	<b>51.90</b>
<b>Note: During the year, the Company has not drawn down any amount from reserves</b>		

### 56.18 Concentration of Public Deposits (for Public Deposit taking / holding NBFCs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits of twenty largest depositors	-	-
Percentage of Deposits of twenty largest depositors to total deposits of the NBFC	-	-

### 56.19 Concentration of Advances

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans to twenty largest borrowers	1,335.66	1,682.31
Percentage of Loans to twenty largest borrowers to total advances of the NBFC	7.02%	14.22%

### 56.20 Concentration of All Exposure (including off - balance sheet exposures)

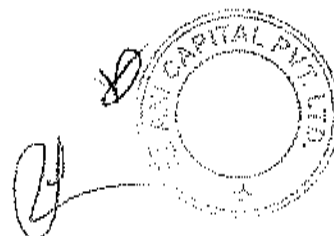
Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	1,422.60	1,868.99
Percentage of exposure to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers.	6.99%	14.83%

### 56.21 Concentration of credit impaired loans

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top four credit impaired accounts	31.77	26.44

### 56.22 Sector Wise Credit-Impaired Assets under Ind AS

Particulars	As at March 31, 2022	As at March 31, 2021
1. Agriculture & allied activities	62.72	27.85
2. MSME	123.02	94.71
3. Corporate Borrowers	3.81	3.83
4. Services	-	-
5. Unsecured Personal Loans	17.84	3.45
6. Auto Loans	76.33	29.46
7. Other Personal Loans	-	3.90



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 56.23 Movement of Credit-Impaired Loans under Ind AS

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Net impaired loss allowance to Net loans (%)	0.98%	0.69%
(II) Movement of Credit impaired loans under Ind-AS (Gross)		
(a) Opening Balance	163.20	45.83
(b) Additions during the year	170.62	117.37
(c) Closing balance	283.82	163.20
(III) Movement of Net Impaired loss		
(a) Opening Balance	80.73	27.16
(b) Additions during the year	103.61	53.57
(c) Closing balance	184.34	80.73
(III) Movement of impairment loss allowance on credit impaired loans		
(a) Opening Balance	82.46	18.66
(b) Additions during the year	17.02	63.80
(c) Closing balance	99.48	82.46

### 56.24 Overseas Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Overseas assets	-	-

### 56.25 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Particulars	As at March 31, 2022	As at March 31, 2021
Domestic	-	-
Overseas	-	-

### 56.26 Customer Complaints

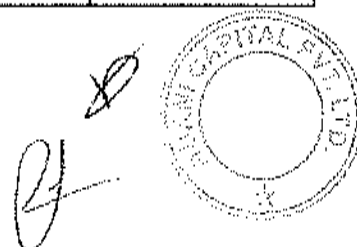
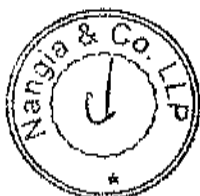
Particulars	As at March 31, 2022	As at March 31, 2021
(a) No. of complaints pending at the beginning of the year	-	1
(b) No. of complaints received during the year	70	175
(c) No. of complaints redressed during the year	70	176
(d) No. of complaints pending at the end of the year	-	-

### 56.27 Adverse remarks

Particulars	As at March 31, 2022	As at March 31, 2021
Adverse remarks if any given by Regulator	-	-

### 56.28 Expenditure in foreign currency

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign Currency Transaction	2.37	2.51
Receivable and Payable outstanding in foreign currency	-	-



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

### 56.29 Disclosure pursuant to Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) dated September 29, 2016

Particulars	As at March 31, 2022	As at March 31, 2021
Amount of Fraud detected during the year	3.14	2.80

### 56.30 Area of Operations

Particulars	Details
Area and Country of Operations	India
Joint venture partners with regard to joint ventures and overseas subsidiaries	Nil

### 56.31 Postponements of revenue recognition: Current year: Nil (Previous year: Nil)

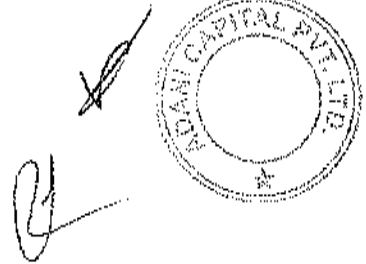
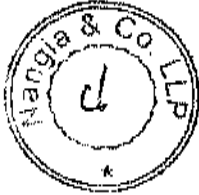
### 56.32 Remuneration to non-executive Directors

Particulars	For the year March 31, 2022	For the year March 31, 2021
Mr. Rajender Mohan Malia (Independent Director)	1.20	1.20
Ms. Padma Chandrasekaran (Independent Director)	1.20	-

### 56.33 Details of all material transactions with related parties are disclosed in note 49

### 56.34 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no material prior period items other than those disclosed in Financial Statements. There has been no change in accounting policies followed other than those disclosed in the Financial Statements.



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

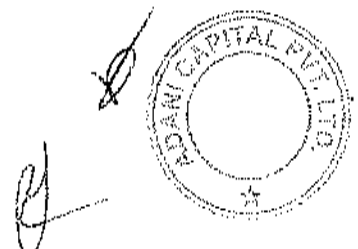
57 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI Norms

As at 31 March 2022

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Less Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	17,879.75	120.53	17,759.12	99.35	21.28
	Stage 2	855.73	16.41	839.32	19.29	(2.88)
<b>Subtotal for Performing Assets</b>		<b>18,735.48</b>	<b>137.04</b>	<b>18,598.44</b>	<b>118.64</b>	<b>18.40</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	188.24	47.98	140.26	17.37	30.61
Doubtful - up to 1 year	Stage 3	89.22	45.14	44.08	23.94	22.20
1 to 3 years	Stage 3	6.36	6.36	-	1.93	4.43
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>283.82</b>	<b>99.48</b>	<b>184.34</b>	<b>42.24</b>	<b>57.24</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal for other items</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	<b>17,879.75</b>	<b>120.53</b>	<b>17,759.12</b>	<b>99.35</b>	<b>21.28</b>
	Stage 2	<b>855.73</b>	<b>16.41</b>	<b>839.32</b>	<b>19.29</b>	<b>(2.88)</b>
	Stage 3	<b>283.82</b>	<b>99.48</b>	<b>184.34</b>	<b>42.24</b>	<b>57.24</b>
	<b>Total</b>	<b>19,019.30</b>	<b>236.52</b>	<b>18,782.78</b>	<b>160.88</b>	<b>75.64</b>

As at 31 March 2021

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Less Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	10,975.43	77.58	10,897.85	45.41	32.17
	Stage 2	690.66	16.59	674.07	2.76	13.83
<b>Subtotal for Performing Assets</b>		<b>11,666.09</b>	<b>94.17</b>	<b>11,571.92</b>	<b>48.17</b>	<b>46.00</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	133.79	56.29	77.50	12.40	43.89
Doubtful - up to 1 year	Stage 3	28.59	25.31	3.24	10.51	14.80
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	0.86	0.86	-	0.86	0.00
<b>Subtotal for NPA</b>		<b>163.20</b>	<b>82.46</b>	<b>80.74</b>	<b>23.77</b>	<b>58.69</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal for other items</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	Stage 1	<b>10,975.43</b>	<b>77.58</b>	<b>10,897.85</b>	<b>45.41</b>	<b>32.17</b>
	Stage 2	<b>690.66</b>	<b>16.59</b>	<b>674.07</b>	<b>2.76</b>	<b>13.83</b>
	Stage 3	<b>163.20</b>	<b>82.46</b>	<b>80.74</b>	<b>23.77</b>	<b>58.69</b>
	<b>Total</b>	<b>11,829.29</b>	<b>176.63</b>	<b>11,652.66</b>	<b>71.94</b>	<b>104.69</b>



**ADANI CAPITAL PRIVATE LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

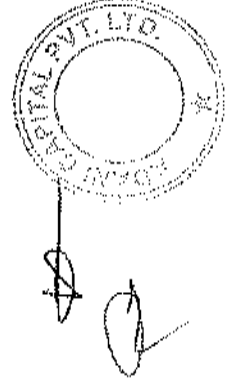
**58 Asset liability management**

**Maturity pattern of certain items of asset and liabilities - As at March 31, 2022**

Pattern	1 day to 7 days	8 days to 14 days	14 days to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	4.11	246.14	1,075.18	644.31	1,251.85	4,407.74	6,461.70	3,354.31	-	17,445.34
Other Borrowings	-	-	8.67	9.85	132.72	151.77	263.56	616.25	-	336.86	1,519.68
Market Borrowings (MCD)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	992.83	203.96	627.06	1,082.62	1,145.66	924.74	1,956.53	6,004.11	2,658.92	3,422.87	19,019.30
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

**Maturity pattern of certain items of asset and liabilities - As at March 31, 2022**

Pattern	1 day to 7 days	8 days to 14 days	14 days to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	12.13	65.35	40.74	99.62	363.21	627.59	2,438.32	4,593.33	1,065.21	-	9,300.50
Other Borrowings	1.83	-	7.73	8.97	48.63	65.90	133.71	233.53	-	-	500.25
Market Borrowings (MCD)	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	802.93	179.79	594.51	685.02	971.62	648.49	1,258.89	3,489.98	1,589.25	1,608.81	11,829.29
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-



**ADANI CAPITAL PRIVATE LIMITED**

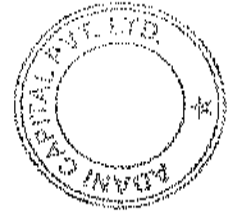
Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

59

Information relating to Restructured Accounts in accordance with RBI Notification No. DNBS(PD).NO.272 /CGM(NSV)-2014 dated January 23, 2014

S.No	Type of Restructuring	Others				Total
		Standard	Sub-Standard	Doubtful	Loss	
	<b>Restructured Accounts as on April 01, 2021</b>					
1	No of Borrowers	3	-	-	-	3
	Amount Outstanding	15.10	-	-	-	15.10
	Provision there on	1.57	-	-	-	1.57
	<b>Freshly Restructured during the year ended March 31, 2022</b>					
2	No of Borrowers	337	-	-	-	337
	Amount Outstanding	444.84	-	-	-	444.84
	Provision there on	46.26	-	-	-	46.26
	<b>Upgradations to restructured standard category</b>					
3	No of Borrowers	1	-	-	-	1
	Amount Outstanding	0.54	-	-	-	0.54
	Provision there on	0.06	-	-	-	0.06
	<b>Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at March 31, 2021 and hence need not be shown as restructured standard advances at the March 31, 2022</b>					
4	No of Borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
	<b>Down gradations of restructured accounts during the year ended March 31, 2022</b>					
5	No of Borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision there on	-	-	-	-	-
	<b>Write offs of restructured accounts during the year ended March 31, 2022</b>					
6	No of Borrowers	5	-	-	-	5
	Amount Outstanding	0.77	-	-	-	0.77
	Provision there on	0.08	-	-	-	0.08
	<b>Restructured Accounts as on March 31, 2022</b>					
7	No of Borrowers	314	-	-	-	314
	Amount Outstanding	441.24	-	-	-	441.24
	Provision there on	45.89	-	-	-	45.89

(Rs in million)



**ADANI CAPITAL PRIVATE LIMITED**

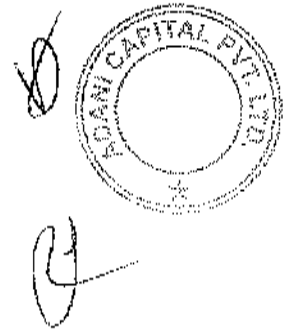
Notes to the Financial Statements for the year ended March 31, 2022  
(All amounts in Rs. in Millions unless otherwise stated)

60 Disclosure as per circular DOR.No.BP.BC/3/21.04.048/2020-21 issued by RBI dated August 6, 2020 for Resolution Framework for COVID-19-related Stress for the half year ended March 31, 2022

Type of Borrower	A	B	C	D	E
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate Loans	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	448.38	-	0.77	36.13	441.24
Total	448.38	-	0.77	36.13	441.24

60.1 Information relating to Restructured Accounts in accordance with RBI notification DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020

Particulars	As at March 31, 2022	As at March 31, 2021
No of Accounts Restructured	314	2
Amount	441.24	14.56



## ADANI CAPITAL PRIVATE LIMITED

### Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

- 61 The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown/restrictions, due to the contraction in industrial and services output across small and large businesses. The impact of the resurgence of COVID -19 pandemic on Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

The Company has maintained sufficient capital and liquidity position and it will continue the same going forward.

In assessing the recoverability of loans and receivables, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Given the dynamic and evolving nature of the pandemic, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results.

- 62 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 63 Other Additional Regulatory Information

#### 63.1 Title deeds of Immovable Properties not held in name of the Company

The Company does not have any immovable properties where title deeds are not held in the name of the company.

#### 63.2 Loans and Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (a) repayable on demand, or
- (b) without specifying any terms or period of repayment

#### 63.3 Details of Benami Property held

The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

#### 63.4 Security of current assets against borrowings

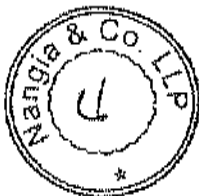
The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

#### 63.5 Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

#### 63.6 Relationship with Struck off Companies

The Company does not have any transactions with companies struck off.



Handwritten signatures of two individuals.



## ADANI CAPITAL PRIVATE LIMITED

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)

### 63.7 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

### 63.8 Utilisation of borrowed funds and share premium

a) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or,
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

### 63.9 Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 63.10 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

### 63.11 Financial Ratios

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	Liquidity coverage ratio (%)	Not applicable as per RBI guidelines	
2	Debt – Equity ratio (Refer Note 1 below)	3.70	2.80
3	Net Worth (Refer Note 2 below)	5,120.94	3,502.33
4	Total debts to total assets ratio (Refer Note 3 below)	0.76	0.72
5	Gross Stage 3 asset (%) (Refer Note 4 below)	1.49%	1.38%
6	Net Stage 3 asset (%) (Refer Note 5 below)	0.98%	0.69%
7	CRAR (%) (calculated as per RBI guidelines)	24.71%	25.74%
8	Tier - I CRAR (%)	22.49%	25.13%
9	Tier - II CRAR (%)	3.22%	0.61%

#### Note:

1. Debt-equity Ratio = Total Debt (Debt Securities + Subordinated Liabilities + Borrowings other than debt securities) / Net worth

2. Net Worth = Equity share capital + Other equity

3. Total debts to total assets = Total Debt (Debt Securities + Subordinated Liabilities + Borrowings other than debt securities) / 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)



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## ADANI CAPITAL PRIVATE LIMITED

### Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in Rs. in Millions unless otherwise stated)


#### 64 Standards issued but not yet effective

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2021.

#### 65 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current period's classification/disclosure.

This is the Notes referred to in our report of even date

For Nangia & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 002391C/NS00069


  
Mr. Jaspreet Singh Bedi  
Partner  
Membership No: 601788


Place: Mumbai

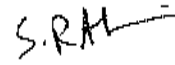
Date: May 23, 2022



For and on behalf of the Board of Directors of  
Adani Capital Private Limited  
CIN: U65990GJ2016PTC093692

  
Mr. Gaurav Gupta  
Managing Director & CEO  
DIN: 01669109  
Place: Mumbai

  
Mr. Viral Shah  
Chief Financial Officer  
Place: Mumbai

  
Mr. Sagar R. Adani  
Director  
DIN: 07626229  
Place: Ahmedabad

  
Mr. Jitendra Chaturvedi  
Company Secretary  
Membership No: A45158  
Place: Mumbai





2. Unquoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others - Pass through certificates	-

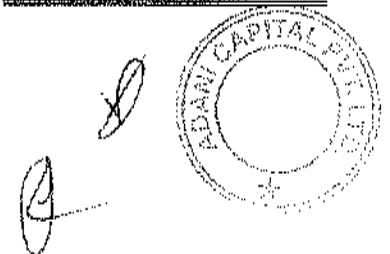
Particulars	Amount Outstanding
<b>Long Term Investments :</b>	
1. Quoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
2. Unquoted :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Funds	-
(iv) Government Securities	-
(v) Others - Pass through certificates	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above  
Please see Note 2 below:

Category	Amount net of provisions		Total
	Secured	Unsecured	
<b>1. Related Parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	1,61,883	28,310	1,90,193
<b>Total</b>	<u>1,61,883</u>	<u>28,310</u>	<u>1,90,193</u>

(6) Investor group-wise classification of all investments  
(current and long term) in shares and securities  
(both quoted and unquoted);  
Please see note 3 below:

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2. Other than related parties</b>	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



(7) Other information

Particulars

Amount

(i) Gross Non-Performing Assets

(a) Related parties

-

(b) Other than related parties

2,838

(ii) Net Non-Performing Assets

(a) Related parties

-

(b) Other than related parties

1,843

(iii) Assets acquired in satisfaction of debt

-

