



ANNAPURNA
FINANCE
GROWING TOGETHER

Dairy loan

Just One Click
To Pay The EMI

PAY EMI

Electricity

Pay EMI

Electricity FASTag Recharge Piped Gas Loan Repayment
Credit card Mobile Postpaid Water View All

Mobile Postpaid

Piped Gas

Water

FASTag Recharge

Credit card



ANNUAL REPORT 2025

निकट फातिमा हॉटेल्स, चांदगरी इमोलिया - मकर

Growing Together

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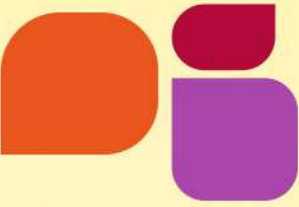
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01



Annapurna: Our Story, Purpose & Identity



- ANNAPURNA: OUR STORY, PURPOSE & IDENTITY**
- 15 YEARS OF FINANCIAL INCLUSION
 - VISION & MISSION
 - FROM THE DESK OF THE MANAGING DIRECTOR
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15 YEARS

OF FINANCIAL INCLUSION



EMPOWERING COMMUNITIES, DRIVING IMPACT

Annapurna Finance, a leading financial institution established in 2009 in Odisha, is committed to fostering inclusive growth and sustainable development, with a special focus on women's empowerment and underserved communities across rural and semi-urban India. Operating in 21 states with a network of 1,636 branches to serves over 2.9 million clients and manages a robust portfolio of ₹11,034 crore.

The organisation's diverse, customer-centric products-ranging from income generation and affordable housing to green loans like rooftop solar and EV-3 wheeler financing-reflect its commitment to improving livelihoods and promoting eco-conscious finance. Beyond conventional financial offerings, Annapurna Finance addresses real-world challenges with innovative solutions such as Digital Payment Systems, the Bharat Bill Payment System, and scalable digital tools tailored for underserved communities. These solutions have not only expanded financial access but also elevated the standard of service delivery across geographies.

Embracing digital transformation, the organization has deployed platforms like the Annapurna Pay app, LOS and LMS systems, Customer Engagement Platform, Customer Relationship Management, and Business Rule Engine, enabling efficient and paperless service delivery.

Anchored in values like integrity, inclusion, innovation, and transparency, Annapurna Finance fosters a progressive, gender-inclusive workplace. With consistent industry recognition, impactful CSR initiatives, and forward-thinking collaborations, it continues to lead India's financial inclusion journey-driving innovation, enabling prosperity, and shaping a more equitable future.

OUR STRENGTH

- Extensive Reach

Serving underserved communities by reaching every corner of the country, including deep rural and remote areas.

- Transparent Processes

Clearly defined and transparent operational frameworks that build trust and ensure accountability.

- People-First Culture

A strong focus on employee and customer well-being, empowered through empathy, training, and opportunity.

- Agile Technology & Infrastructure

Advanced, scalable digital systems enabling seamless onboarding, real-time analytics, and secure transactions.

- Inclusive Financial Solutions

A diverse portfolio of products tailored to the evolving needs of individuals, microenterprises, and MSMEs.

- Strong Governance & Compliance

Robust internal controls, risk frameworks, and regulatory adherence ensure operational excellence.

- Sustainability & Social Impact

A commitment to responsible financing and uplifting communities through education, health, and livelihood initiatives.

- Innovation-Driven Growth

Continuous investment in cutting-edge technologies like AI, data analytics, and digital platforms to enhance service delivery and operational efficiency.

VISION & MISSION

OUR VISION

Establishment of a self-sustainable and economically empowered rural, tribal & sub-urban society.

OUR MISSION

Empowerment of 40,00,000 poor women and households for their economic security by 2027.
Bring recognition, legitimacy, respect and opportunity for 120,000 micro-enterprises by 2027.

OUR GOAL

Increase availability of wider range of microfinance services.
Improve ability of 40,00,000 poor women for efficient use of such services by the year 2027.

VALUES THAT DRIVE ANNAPURNA



INTEGRITY



EMPATHY



TEAMWORK



TRANSPARENCY



ACCOUNTABILITY



INNOVATION



INCLUSIVITY



EXCELLENCE



SUSTAINABILITY



RESPECT



FROM THE DESK OF THE MANAGING DIRECTOR

DEAR READER,

“Dream is not something that you see while sleeping, it is something that does not let you sleep,” said the late former president **Abdul Kalam Azad**. I believe that dreamers make a better world because of the power of dreams. Realizing a dream into reality requires hard work, determination, a never-say-die attitude, and belief in oneself against all odds. Dreamers' dreams involve other people and their happiness, and not their own alone, when dreams start dreaming for a better and happier world & that's my journey- Journey of Annapurna.

Twenty-five years ago, when I started dreaming inside a small 10X10 room, I never thought we would reach 21 states with a team of 15,000 young professionals' team and around 3 million people to become a joint family. The only dream I had often had was how to bring a smile on their faces who forgot to smile for years.

I never thought where me & my team would be today. But the only thing for sure-I never gave up. I never got tired of focusing on the day-to-day challenges that came from different sources. One problem you solve, another is knocking on your door. Sometimes multiple problems come together to make you stronger. The secret of our journey is nothing but the acceptance of the changes and challenges. Me and my team always adopt the required changes and never hesitate to accept the challenges. Fortunately, our belief system in self and with each other became stronger day by day. The result we always stood unitedly, shown in our programmes. Achieving figures never comes in our dream and competing with others is always a bad joke for us. We consistently prioritise building a strong self-identity, establishing a trusted platform, and nurturing a mindset of giving.

Positioning our brand as a trusted name in every household and giving the belief that we work together. Creating an atmosphere for transforming the gift we are getting from almighty to others is our motto. We are continuously working towards a happier world and serving our beloved customer has become our passion.

Miles to go... as we continue our journey towards a happier world-driven by our passion to serve, regardless of who walks beside us. I trust my people are always better than myself and am looking forward to joining them in this mission-the mission for a happier world, mission for a healthy and balanced society, mission to stand behind our future generation to come. Many things we are achieving personally and professionally-it's time to help others to reach their own goal, set their own dreams! "Good things take time," but it should not be too late; otherwise, we may not bear enough to witness it. My team started working on our new venture. It will come to you in due time. But I can assure for the time being that we will do what is best, not what is easy. We are promising for a suitable growth of our family tree in every aspect.

I am happy to share that all my beloved readers have never shown their interest at any time in the figures and numbers of our company from this page, but rather have always inspired me to write something interesting about the next path of our journey, etc.

This time, we are at a junction, and honestly, I can say we are in deep deliberation to choose the right track. No matter whichever road we may choose, it must be for the larger interest of the people, and it will reach out to you very soon.

Before putting this down, I am obliged to the entire team of Annapurna-starting from our field offices to senior management, to shareholders, and especially the Board-for their relentless support and trust. I am very much thankful to all of them.

I never dare at any time to forget you people who have stood in front of us in all situations. Your love, support, and contribution have only made us able to walk in the right direction.

Thank you so much, my dear friends in need-our stakeholders, bankers, and well-wishers. You people are not just amazing; rather, sometimes you have shown more confidence than us.No thanks to Almighty this time- "I Surrender" with this:

**THIS IS AN EXCERPT FROM THE BHAGAVAD GITA -
CHAPTER 2, VERSE 7,
WHEN ARJUNA FIRST SURRENDERS TO KRISHNA AS HIS GURU:**

शिष्यस्तेऽहं शाधि मां त्वां प्रपन्नम् ॥

"I AM YOUR DISCIPLE, SURRENDERED UNTO YOU. PLEASE INSTRUCT ME"

WHICH IS ALSO REFERRED IN BIBLE -PSALM 25:1-2,5-7

**O LORD, I GIVE MY LIFE TO YOU.
I TRUST IN YOU,
DON'T LET ME BE DISGRACED,
OR LET MY ENEMIES REJOICE IN MY DEFEAT.
LEAD ME BY YOUR TRUTH AND TEACH ME.
YOU ARE THE GOD WHO SAVES ME.
ALL DAY LONG, I PUT MY HOPE IN YOU.
REMEMBER, O LORD, YOUR COMPASSION AND UNFAILING LOVE,
WHICH YOU HAVE SHOWN FROM LONG AGES PAST.**

JAI HIND

With Love & Regards.

Gobinda Pattanaik





MR. GOBINDA CHANDRA PATTANAİK
MANAGING DIRECTOR, ANNAPURNA FINANCE PVT. LTD.

Mr. Gobinda Chandra Pattanaik, Managing Director of Annapurna Finance, is a visionary leader with over 30 years of experience in microfinance and social development. Deeply inspired by Gandhian values, he began his journey as a social worker, committed to uplifting vulnerable communities through inclusive and sustainable development.

Under his leadership, Annapurna Finance has emerged as one of India's leading NBFC-MFIs, serving over 2.9 million clients across 21 states. His efforts have extended beyond finance—establishing rehabilitation centers, promoting rural healthcare, and championing women's empowerment.

Mr. Pattanaik has received several national accolades, including the Durgabai Deshmukh Award, Odisha Citizen Award, and ET's Most Inspiring CEO. With a focus on social impact and innovation, he continues to guide Annapurna's mission to build a financially inclusive and equitable society.

A respected thought leader, Mr. Pattanaik continues to shape policy dialogues, champion inclusive finance, and inspire a future where development is equitable, sustainable, and driven by the needs of the most vulnerable.



MR. DIBYAJYOTI PATTANAİK
DIRECTOR, ANNAPURNA FINANCE PVT. LTD.

Mr. Dibyajyoti Pattanaik, Director of Annapurna Finance, brings over 20 years of experience in microfinance, enterprise development, and the broader development sector. A postgraduate from EDII Ahmedabad, he has also undergone advanced training at the Boulder Institute in Italy and Harvard Business School, USA.

Deeply committed to financial inclusion and literacy, he began his journey with People's Forum in 2007 as Program Head and CFO. He currently serves as the President of OSAFII and is a Board Member of MFIN, playing a pivotal role in Annapurna's emergence as one of India's leading financial institutions.

Recognized for his exemplary leadership, Mr. Pattanaik has been named among India's Top 25 Great People Managers (2024) by the Great Manager Institute & Forbes India, and has been honored with titles such as India's Top Mind and Business Leader at various international forums.

AWARDS & RECOGNITION



HONOURED FOR IMPACT, TRUSTED FOR EXCELLENCE

Annapurna Finance has earned consistent recognition from renowned institutions for its impactful work in the financial sector. These awards highlight the organization's strong commitment to ethical leadership, innovation, and inclusive growth. Each honour reflects Annapurna Finance's dedication to empowering underserved communities, advancing digital finance, and promoting financial inclusion across the country.

With every honour it receives, the organization continues to strengthen its standing as a trusted financial partner and a transformative force, guided by integrity, driven by purpose, and shaped by the excellence of its people.



Director of Annapurna Finance, Mr. Dibyajyoti Pattanaik Honored as Top 25 Great People Managers™ of India 2024

GPM Mr. Dibyajyoti Pattanaik



Won the Best Customer Experience Solution in NBFC' title at the 2024 Bharat NBFC & Fintech Summit



Awarded with the 'Best Innovative Product in NBFC' award at the 2024 Bharat NBFC & Fintech Summit



Top-Rated Financial Institutions for the first semester of 2024, In collaboration with MicroFinanza Rating (MFR)



Received Gold-level rating in Client Protection Certification (CPC)



Recognized for the 'Most Innovative Product' award for the Just in Time (JIT) Loan at the Yellow.ai's Conversate India Tour 2024



Annapurna Finance Secures the Prestigious SKOCH Gold Award for Financial Inclusion Efforts



Ranked Top 3 in the 2024 Microfinance Index Conducted by 60_Decibels



Recognized in the 2024 Alliance for Global Inclusion Index for Strong Commitment to Diversity and Inclusion



Annapurna Finance Named Among ET Edge Now's Best Brands 2024



Recognized as the Best Organisations for Women 2025 by ET Now

GPM Mr. Dibyajyoti Pattanaik

RESPONSIBLE DEVELOPMENT PATHWAY



01
NO POVERTY

Annapurna Finance empowers low-income households by providing access to collateral-free microloans, promoting financial inclusion in underserved regions. Its rural lending initiatives directly contribute to poverty alleviation by enabling sustainable income generation and enhancing livelihoods.

02
ZERO HUNGER

By financing agri-allied activities and climate-resilient agricultural practices, Annapurna Finance strengthens food security among rural farming communities. Support for income-generating activities ensures improved access to nutrition for vulnerable populations.

03
GOOD HEALTH AND WELL-BEING

Through its Mobile Medical Units (MMUs), Annapurna Finance has delivered free medical consultations, diagnostics, and medicines to over 34,000 individuals. Bio-toilet installations and hygiene awareness programs further promote public health and environmental sanitation in high-footfall areas.

04
QUALITY EDUCATION

Through its E² Project (Excel the Excellence), Annapurna Finance provides scholarships to meritorious students from economically vulnerable backgrounds. This initiative supports access to quality education, helping students overcome financial barriers and pursue academic and professional aspirations. By investing in education, Annapurna Finance fosters long-term socio-economic mobility and empowers future generations.

05
GENDER EQUALITY

With 98% of its customer base comprising women, Annapurna Finance fosters gender equity in financial access and entrepreneurship. At the organizational level, Annapurna Finance has a dedicated Gender Policy to promote equality and equity in the workplace. Gender sensitization programs and leadership development initiatives support inclusive work environments and women's economic empowerment.

06
CLEAN WATER AND SANITATION

Annapurna Finance advances sanitation infrastructure through solar-powered bio-toilets in public spaces, improving hygiene for the lakhs of visitors. These initiatives also support organic waste conversion, reducing municipal waste loads. Additionally, the organization provides SWASTH Loans (Safe Water and Sanitation Loans) to vulnerable communities, helping them access essential amenities.

07
AFFORDABLE AND CLEAN ENERGY

The organization promotes renewable energy solutions through rooftop solar loans and solar-powered livelihood tools such as pumps and refrigerators in rural areas. Solar streetlight installations in urban areas further reduce carbon emissions and enhance public safety.

08
DECENT WORK AND ECONOMIC GROWTH

By financing MSMEs, artisans, and self-employed individuals, Annapurna Finance fosters entrepreneurship and job creation. Capacity-building programs, skill training, and digital market access initiatives further enhance income stability and support local economic development.

09
INDUSTRIAL INNOVATION AND INFRASTRUCTURE

Annapurna Finance enables innovation in financial services through digital onboarding, BRE systems, and analytics-driven credit models. Its investments in artisan cluster development promote sustainable industries and revive traditional crafts. The organization continuously explores and implements technology-driven solutions to enhance borrower experience and operational efficiency.

10
REDUCED INEQUALITIES

Annapurna Finance's inclusive financing model bridges the urban-rural divide by ensuring equitable access to credit for underserved communities. Special emphasis is placed on supporting marginalized groups, SHG members, and low-income families, thereby reducing socio-economic disparities.

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

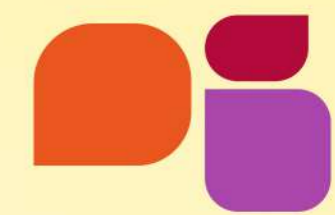
Through its Atulya Karigari initiative, Annapurna Finance promotes eco-friendly packaging and responsible production training among artisans. Waste-to-manure programs through bio-toilets foster circular economy practices and help reduce environmental impact.

13
CLIMATE ACTION

With a target to achieve carbon neutrality by 2040, Annapurna Finance actively measures its Scope 1 and 2 emissions and promotes green financing. Its portfolio of green products and solar infrastructure projects supports climate resilience and emission reduction.

17
PARTNERSHIPS FOR THE GOALS

Annapurna Finance collaborates with organizations such as Sa-Dhan, MFIN, People's Forum, and OSAFII to scale its social impact. These strategic partnerships strengthen the delivery of financial services, healthcare, sanitation, and gender equity programs.



02



Business & Operational Excellence

- ### BUSINESS & OPERATIONAL EXCELLENCE
- BUSINESS PERFORMANCE SNAPSHOT
 - QUALITY ASSURANCE
 - GENERATING VALUE FOR CUSTOMERS
 - STRATEGIC & RISK MANAGEMENT APPROACH
 - PEOPLE & CULTURE
 - CORPORATE GOVERNANCE FRAMEWORK
 - COMMITMENT TO FAIR PRACTICE CODE
 - CUSTOMER RELATIONSHIP MANAGEMENT

BUSINESS PERFORMANCE SNAPSHOT

Value Creation at Annapurna Finance

FINANCIAL CAPITAL

- Debt Raised ₹ 7,312 Cr
- Tier-II Capital Raised ₹ 400 Cr
- AUM ₹ 11,034 Cr
- Operating Revenue ₹ 2,167 Cr

INTELLECTUAL CAPITAL

- Trusted Service since last 14 years
- MFI Ranking 5TH RANK BASED ON AUM
- MFI grading MIC1 FROM CRISIL
- Social Rating SA+ FROM MICROFINANZA

SERVICE CAPITAL

- Total Branch 1636
- Total District 439
- Total States 21

SOCIAL CAPITAL

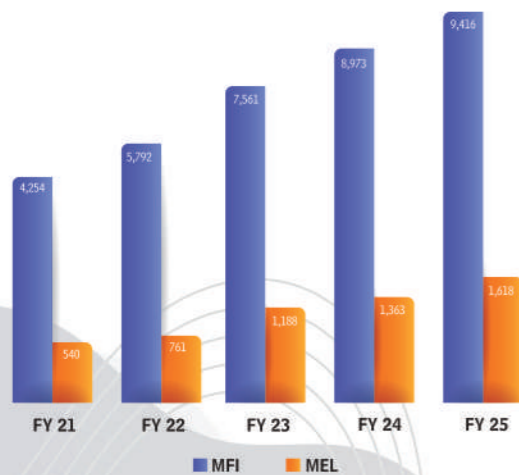
- Total Lenders 60+ Nos INCLUDING BANKS, NBFC & FI
- Active loans 29.6 LAKHS
- Active Members 29.3 LAKHS

HUMAN CAPITAL

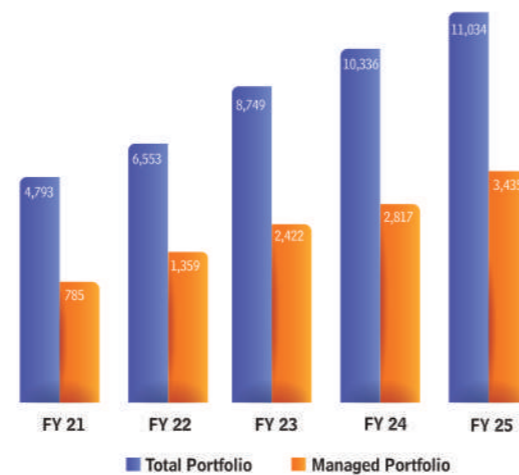
- Total Employees 15,709
- Field Officer 10,638
- Active loans 1,782



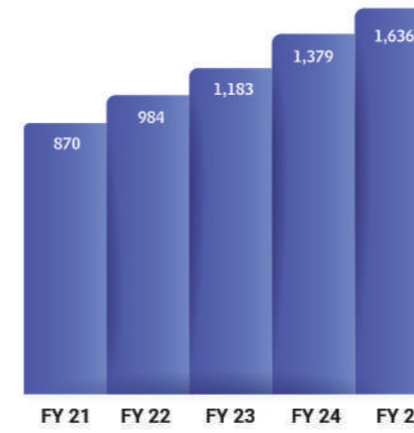
GROSS LOAN BOOK SEGMENT WISE (IN CR)



TOTAL PORTFOLIO & MANAGED PORTFOLIO (IN CR)



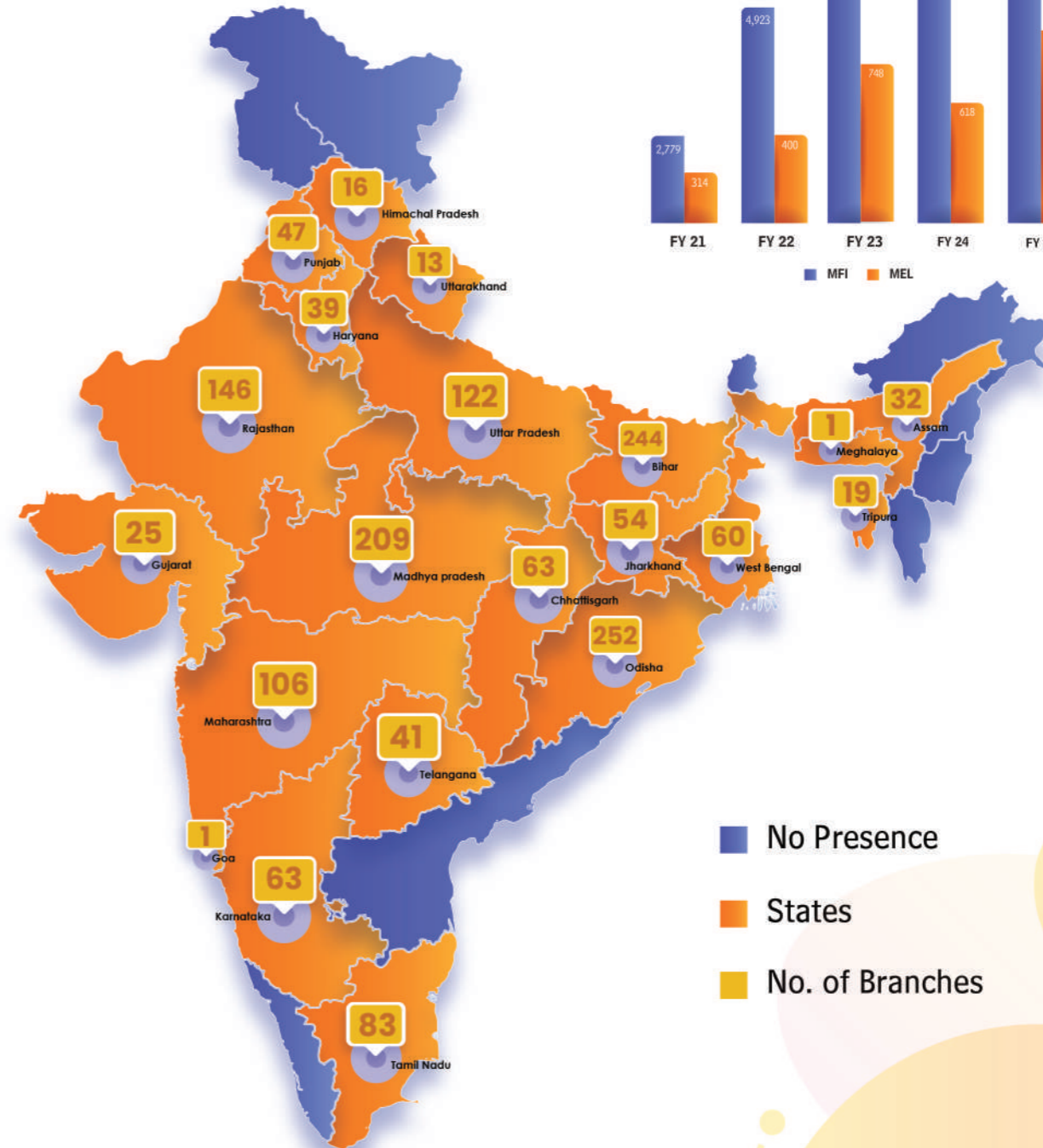
BRANCHES



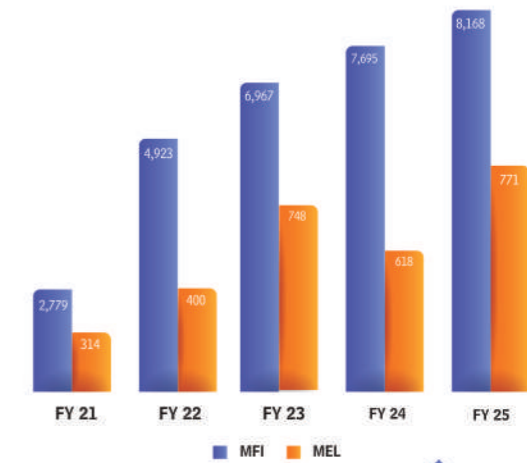
ACTIVE CLIENTS (IN '000)



NATIONAL PRESENCE

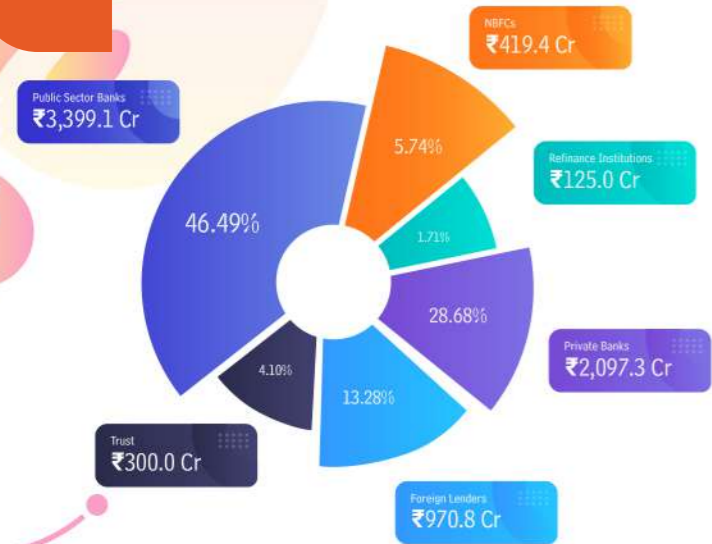


GROSS DISBURSEMENT SEGMENT WISE (IN CR)

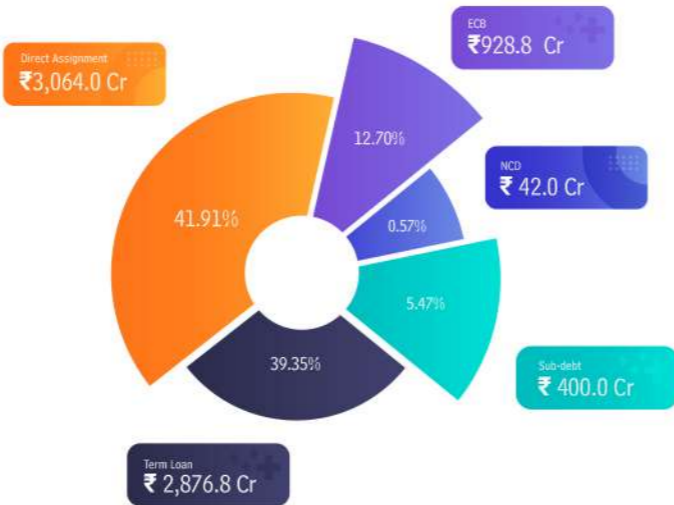


- No Presence
- States
- No. of Branches

FUND RAISED DURING FY'25

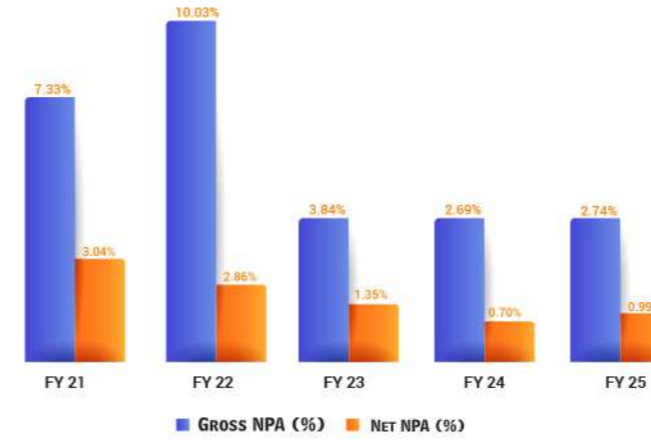


TYPE OF INSTITUTION

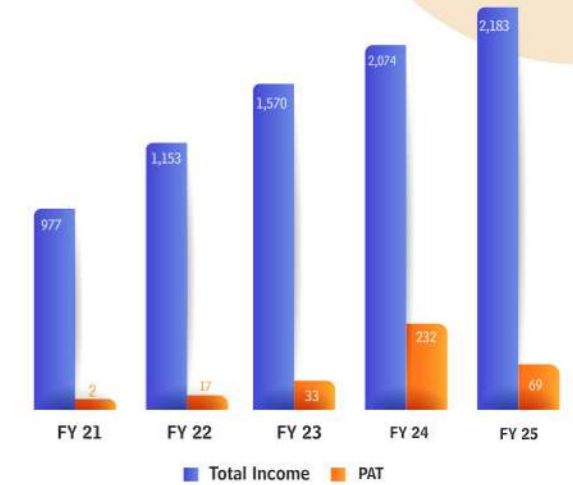


TYPE OF FACILITY

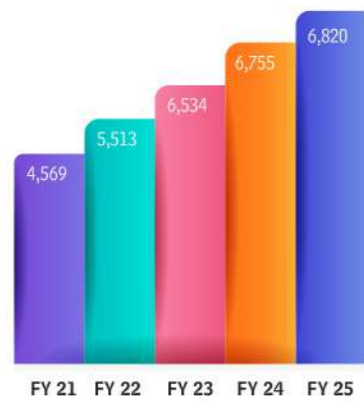
ASSET QUALITY IN %



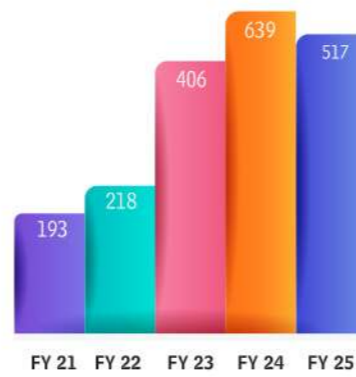
TOTAL INCOME & PAT (IN CR)



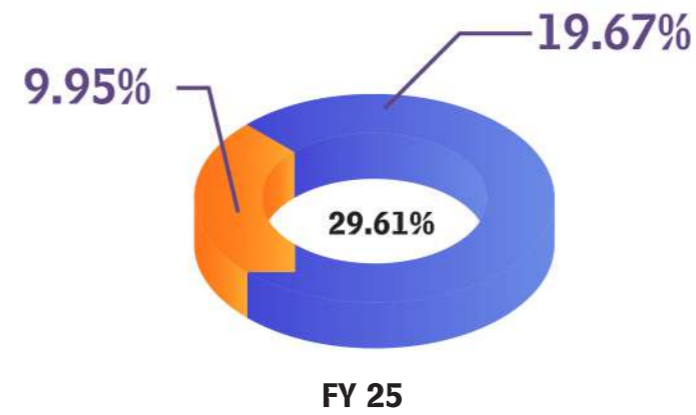
BORROWING OUTSTANDING (IN CR)



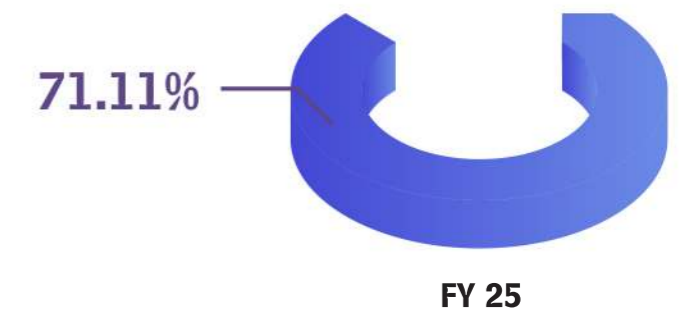
PRE - PROVISIONING OPERATION PROFIT (IN CR)



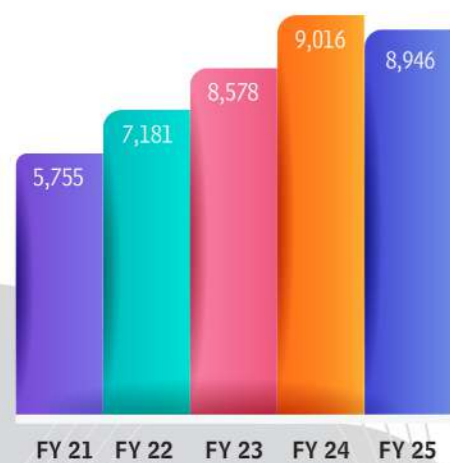
CAPITAL ADEQUACY IN %



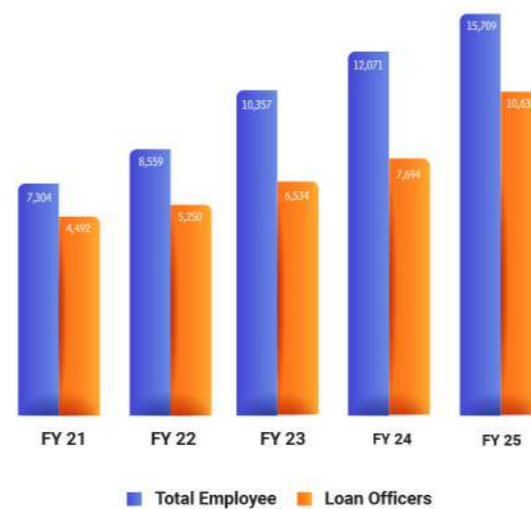
PROVISION COVERAGE IN %



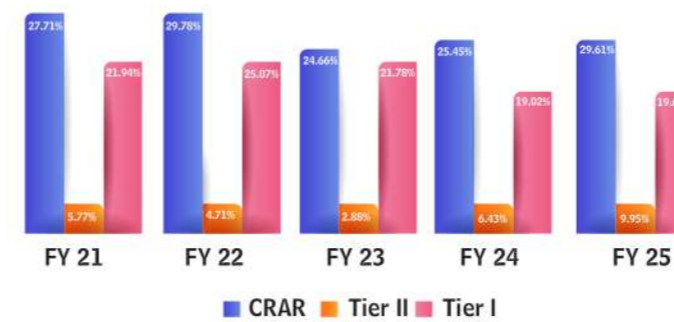
TOTAL ASSET (IN CR)



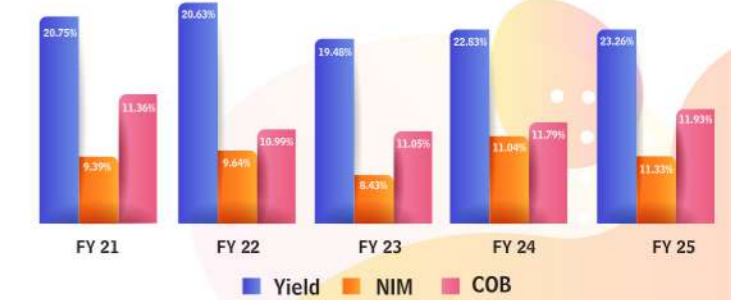
TOTAL EMPLOYEE & LOAN OFFICERS



CAPITAL ADEQUACY (IN %)



YIELD, COB & NIM (IN %)



QUALITY ASSURANCE

ENHANCING GOVERNANCE, AUDIT, AND CREDIT UNDERWRITING THROUGH STRATEGIC AND DIGITAL ADVANCEMENTS

In FY 2024-25, Annapurna Finance reinforced its commitment to operational excellence through a strong focus on quality assurance, governance, and risk management. The organisation undertook several strategic initiatives to enhance the robustness of its internal audit mechanisms and credit underwriting processes.

This year marked significant progress in aligning with regulatory standards, introducing technology-led interventions, and strengthening institutional capabilities. Key developments included the adoption of data-driven decision-making tools, and the refinement of credit evaluation systems. By embedding digital innovations across audit and credit operations, Annapurna Finance achieved higher levels of precision, transparency, and responsiveness in risk assessment and control frameworks.

These efforts reflect the organization's continued pursuit of sound governance, responsible lending, and a future-ready operational structure capable of adapting to evolving regulatory and market demands.

KEY STRATEGIC INITIATIVES AND PROACTIVE MEASURES OF INTERNAL AUDIT

Enhanced Audit of Head Office (HO) Functions

In alignment with Reserve Bank of India (RBI) directives and management guidance, the audit scope of HO functions was expanded. As a result, all HO departments and operations of Annapurna Finance now fall within the comprehensive purview of the Internal Audit Department, strengthening centralized governance and internal control monitoring.

Introduction of Zonal and Regional Office Audits

Auditing activities were also initiated at the Zonal and Regional Office (ZO/RO) levels. These audits assessed administrative performance, policy implementation, and operational compliance at decentralized locations. Particular emphasis was placed on evaluating adherence to internal policies, procedural uniformity, and compliance with regulatory norms.

INNOVATIONS, ACHIEVEMENTS, AND TECHNOLOGY INTEGRATIONS

System Integration and Validation of Business Rule Engine (BRE):

A thorough system review was conducted to validate the logic framework of the BRE. Multiple feedback

loops and corrective measures led to the successful integration of BRE into the core operational systems. As a result, all sourcing and disbursement activities are now processed through the BRE, leading to a substantial reduction in regulatory and internal guardrail deviations, now reduced to near-zero levels.

Data-Driven Risk Anticipation through Advanced Analytics:

Advanced analytics tools such as Power BI, Python, and SQL have been leveraged to identify early warning indicators of emerging risks and operational inefficiencies. The analytics-driven approach has empowered the audit function to anticipate potential vulnerabilities, enabling timely interventions and supporting the achievement of strategic objectives.

Launch of Internal Audit Mobile App and Web-Based Tool:

Marking a major digital shift in the audit function, Annapurna Finance developed and deployed an in-house mobile application and web-based tool to digitize the audit process. This tool, aligned with the RBI's Risk-Based Internal Audit (RBIA) framework, integrates core modules such as Risk-Based Audit, Compliance, Reporting, Auditor Performance Tracking, and Log Capturing. It ensures real-time reporting, minimizes manual intervention, and enhances the overall audit lifecycle through data-driven insights.

ADVANCING CREDIT UNDERWRITING THROUGH DIGITAL TRANSFORMATION AND QUALITY CONTROL

Integration of Machine Learning with Human Assessment:

A hybrid approach to credit assessment was adopted, wherein machine learning models work in tandem with human judgement to enhance the accuracy and reliability of loan decision-making. This has contributed to better risk evaluation and streamlined assessment processes.

KEY BENEFITS OF BRE INTEGRATION:

Enhanced Decision-Making:

The BRE enables scenario-based decision-making, significantly reducing audit flags and compliance-related deviations.

Standardization and Flexibility:

Policies and credit appraisal norms are now implemented through a standardized logic-based framework, allowing real-time revisions without reliance on code-level software modifications.

Improved Supervision:

Automation has optimized supervisory roles by reducing manual workload, thereby enabling focused portfolio monitoring and data-based analysis.

Regulatory Alignment:

Regulatory standards related to borrower indebtedness, multi-lending exposure, and overdue limits have been embedded in the BRE logic.

Policy Enhancements and Capacity Building:

- Several credit policies were revised and updated to reflect current market realities and regulatory guidelines.
- Emphasis was placed on continuous risk awareness and analytical training for credit teams, enabling smoother adoption of new tools and frameworks.
- Ongoing initiatives ensured that the workforce remained technologically adept and aligned with compliance standards.

BUSINESS RULE ENGINE (BRE) FOR CREDIT UNDERWRITING

Annapurna Finance has implemented a Business Rule Engine (BRE) to automate the credit underwriting process and enhance the efficiency of customer onboarding. This digital system integrates:

- Application-Level Data: Including demographics, household income, expenses, and vintage.
- Credit Bureau Data: Including credit history, defaults, and active loan accounts.

The BRE system evaluates each applicant and classifies outcomes as:

- Accept: Provides details of the eligible loan amount and applicable tenure.
- Refer: Flags for manual review and supervisor escalation with clear reasons.
- Reject: Applicant is not eligible for further processing.

ADVANTAGES OF THE BRE SYSTEM INCLUDE:

- Minimization of manual intervention in credit decisions.
- Deployment of a robust, scalable, and consistent credit assessment process.

- Efficient filtering of applicants with poor credit history.
- Better resource allocation by allowing field staff to focus on qualitative assessments.

BRE has been rolled out across more than 1,000 operational branches, significantly streamlining the credit underwriting process and improving accuracy.

WAY FORWARD: STRENGTHENING ACCURACY AND COMPLIANCE THROUGH TECHNOLOGY

Annapurna Finance is steadily advancing its commitment to business and operational excellence by leveraging digital solutions to ensure precision, transparency, and accountability. As part of this ongoing journey, a compliance module is being introduced within the Internal Audit Application. Currently in the pilot testing phase across selected geographies, this digital module will enable seamless tracking and closure of audit observations, improving compliance accuracy and accelerating resolution timelines.

To further reinforce its quality assurance and governance practices, Annapurna Finance is focused on:

- Expanding automation in credit assessment and incorporating real-time risk evaluation mechanisms.
- Utilizing Power BI dashboards to enable granular performance tracking and proactive issue identification.
- Empowering teams across levels to validate Business Rule Engine (BRE)-based decisions with access to underlying data and logic.
- Investing in continuous learning by enhancing staff capabilities in analytics, regulatory compliance, and evolving technological platforms.

These forward-looking interventions are designed to elevate operational transparency, support responsible lending, and build a scalable and future-ready quality assurance framework. The organization remains committed to integrating technology and insights into every layer of operations to ensure sustainable and high-impact growth.

GENERATING VALUE FOR CUSTOMERS

DRIVING IMPACT THROUGH PRODUCT INNOVATION AND RESPONSIBLE FINANCIAL SOLUTIONS

Annapurna Finance advanced its mission of inclusive growth and sustainable development by expanding and refining its financial product suite. The organization's product innovation strategy remained rooted in the belief that financial empowerment is multidimensional—addressing economic, social, and environmental needs. With a customer-centric approach, products were designed to be responsive, inclusive, and purpose-driven, enabling underserved communities to access credit tailored to their aspirations.

The product portfolio, with a strong emphasis on women's empowerment, enterprise development, housing, sanitation, and clean energy, continued to fuel progress at the grassroots. Each offering was shaped to drive measurable improvements in client resilience, livelihood stability, and long-term financial independence.

INCLUSIVE LENDING SOLUTIONS: BUILDING ENTREPRENEURIAL POTENTIAL

JOINT LIABILITY GROUP (JLG) LOAN

The JLG Loan remains the foundation of Annapurna Finance's inclusive lending architecture. It provides collateral-free credit to rural women through a group-based model that promotes mutual accountability and financial discipline. This structure enables access to credit for various livelihood activities including agriculture, retail, dairy, and services.

Impact:

Over 26 lakh women across India have benefitted from JLG loans. The product has significantly contributed to income diversification, improved financial literacy, and strengthened intra-group social capital among borrowers.

Operational Focus:

Efforts are underway to digitize onboarding and repayment processes, improve client experience, and support a seamless transition toward higher-value financial products as borrowers scale their enterprises.

INDIVIDUAL BUSINESS LOAN (IBL)

To support women transitioning from group lending to individual credit, Annapurna Finance offers IBL to scale rural and semi-urban enterprises. The loan supports inventory expansion, infrastructure upgrades, and digital literacy development.

Impact:

The IBL product has strengthened women's economic participation, generated employment, and empowered borrowers with greater control over household income and business growth.

Operational Focus:

The organization is focused on increasing IBL outreach while enhancing digital service delivery and customer engagement to support scalable, sustainable micro-enterprises.

MSME BUSINESS LOAN

With a clear focus on India's micro, small, and medium enterprise sector, Annapurna Finance's MSME Business Loan bridges the financing gap for entrepreneurs with established operations. The product offers both secured and unsecured loan options suitable for working capital, machinery procurement, and business expansion.

Impact:

Thousands of businesses have been enabled to scale operations, enhance productivity, and formalize through improved access to structured credit. The product also supports job creation and diversification in underserved economic clusters.

Operational Focus:

Expansion efforts are focused on faster secured loan processing, credit assessment automation, and customer-centric services for larger loan segments.

RESPONSIVE AND DIGITIZED LENDING: BUILDING RESILIENCE

JUST-IN-TIME (JIT) LOAN

JIT is a pre-approved emergency loan solution designed to address urgent financial needs without delay. Disbursed digitally through a low-touch model, JIT ensures rapid credit delivery for exigencies like medical emergencies or temporary business disruptions.

Impact:

The loan has become a reliable safety net for thousands of borrowers, especially women, helping them avoid high-cost informal credit during crises.

Operational Focus:

JIT is being further embedded into the organization's digital ecosystem to improve targeting, disbursal speed, and customer experience during moments of financial stress.

HOLISTIC LIVELIHOOD SOLUTIONS: BEYOND ENTERPRISE FINANCING

SWASTH – WATER AND SANITATION LOAN

Recognizing the critical link between hygiene and

economic well-being, Swasth enables rural households to construct toilets, water storage systems, and household water connections. The loan also drives behavioral change in sanitation practices.

Impact:

The product has helped promote public health, enhance safety for women, and embed hygiene infrastructure in rural communities.

Operational Focus:

Future strategies include deeper awareness campaigns, technical support for installations, and increased outreach in underserved areas.

HOUSING LOAN

Designed for low- and middle-income families, the organization's Housing Loan finances construction, renovation, and expansion of homes. It targets clients who require structured and larger-scale credit for improved living conditions.

Impact:

The loan has enabled families to transition from temporary shelters to secure, durable homes—supporting health, education, and overall well-being.

Operational Focus:

Improved property documentation support, simplified loan journeys, and alignment with government schemes like PMAY are key priorities moving forward.

SUSTAINABILITY IN LENDING: EMPOWERING GREEN LIVELIHOODS

ELECTRIC 3-WHEELER (EV-3W) LOAN

In alignment with India's clean mobility goals, the EV-3W loan finances the purchase of electric vehicles for last-mile transportation workers. The product supports reduced fuel costs and lower emissions.

Impact:

Borrowers have reported increased earnings and reduced maintenance expenses, while contributing to a cleaner environment.

Operational Focus:

Expansion plans include flexible repayment structures, stronger OEM partnerships, and wider market penetration.

ROOFTOP SOLAR (RTS) LOAN

Supporting India's renewable energy agenda, the RTS loan enables the installation of solar panels for both residential and C&I segments. This secured loan product provides long-term energy savings and self-reliance.

Impact:

To date, over 7,000 kW of clean energy capacity has been installed, reducing energy costs and carbon footprints at the grassroots.

Operational Focus:

The organization will expand RTS loans across geographies and strengthen technical due diligence through partnerships with leading OEMs and EPCs.

LOOKING AHEAD: FUTURE-READY PRODUCT INNOVATION

GREEN BOX

Anticipating the growing need for climate-smart finance, Annapurna Finance is introducing Green Box—a tailored financing solution supporting decentralized renewable energy (DRE), climate-resilient agriculture, and energy-efficient tools. The product will be adapted across diverse rural livelihoods such as animal husbandry, textiles, and micro-enterprises.

Strategic Outlook:

Green Box reflects the organization's commitment to build resilient rural economies through clean technologies and aligns with India's broader net-zero and rural development goals.

EMPOWERING ENTREPRENEURS: DRIVING GROWTH THROUGH MSME FINANCING

The Micro, Small, and Medium Enterprises (MSME) sector plays a vital role in India's economic development, contributing approximately 30% to the national GDP and accounting for 45% of exports. As the second-largest employer after agriculture, with over 110 million individuals engaged, the sector acts as a foundation for inclusive growth, innovation, and job creation. Recognizing its critical importance, Annapurna Finance established the MSME vertical in 2017 to address the financial needs of underserved business owners and to support the aspirations of India's entrepreneurial ecosystem.

It has built a robust and scalable MSME lending platform designed to serve small and medium businesses operating in manufacturing, trading, and services. With an expansive branch network of 205 branches across 16 states, the organization offers both secured and unsecured loan products tailored to meet varied business requirements. Loan amounts are available up to ₹50 lakhs with tenures extending up to 20 years, enabling business owners to meet their working capital needs, invest in fixed assets, expand operations, or establish new branches.

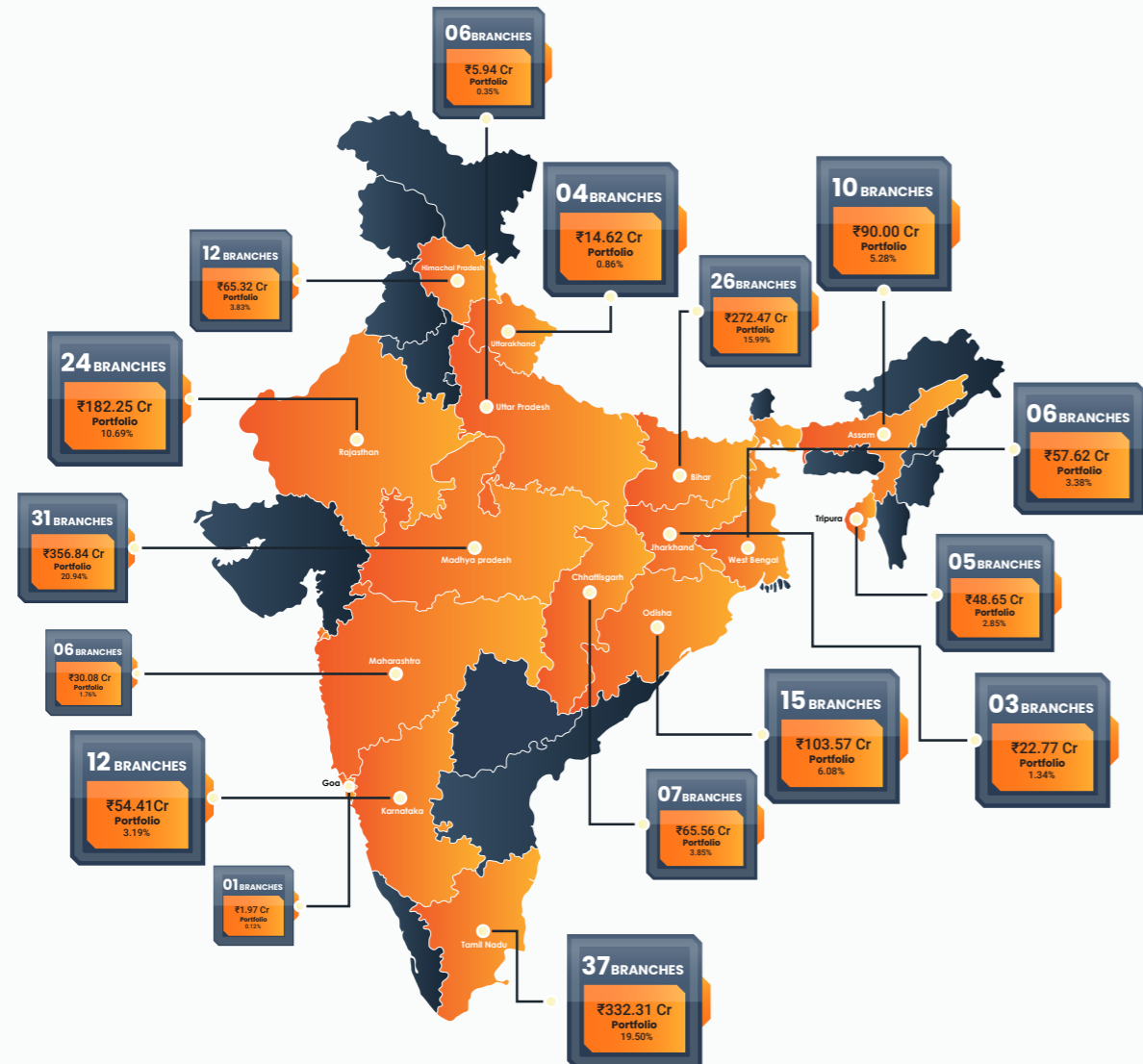
PORTFOLIO PERFORMANCE AND GROWTH

As of March 31, 2025, Annapurna Finance serves 95,839 MSME borrowers with a total loan portfolio of ₹1,704.38 crore, registering a significant increase from

₹1,436.87 crore in the previous fiscal year. During FY 2024-25, the organization onboarded 16,938 new customers and disbursed ₹769.94 crore in loans—reflecting a 29% year-over-year growth in disbursements.

The organization's secured loan products, including MSME and Home Loans, constitute 64% of the overall portfolio, while unsecured loans account for 36%. Despite operating in a segment with lower- and middle-income borrowers, Annapurna Finance maintains a commendable asset quality, backed by strong underwriting processes and a collection efficiency rate of 91.28% on its MSME portfolio.

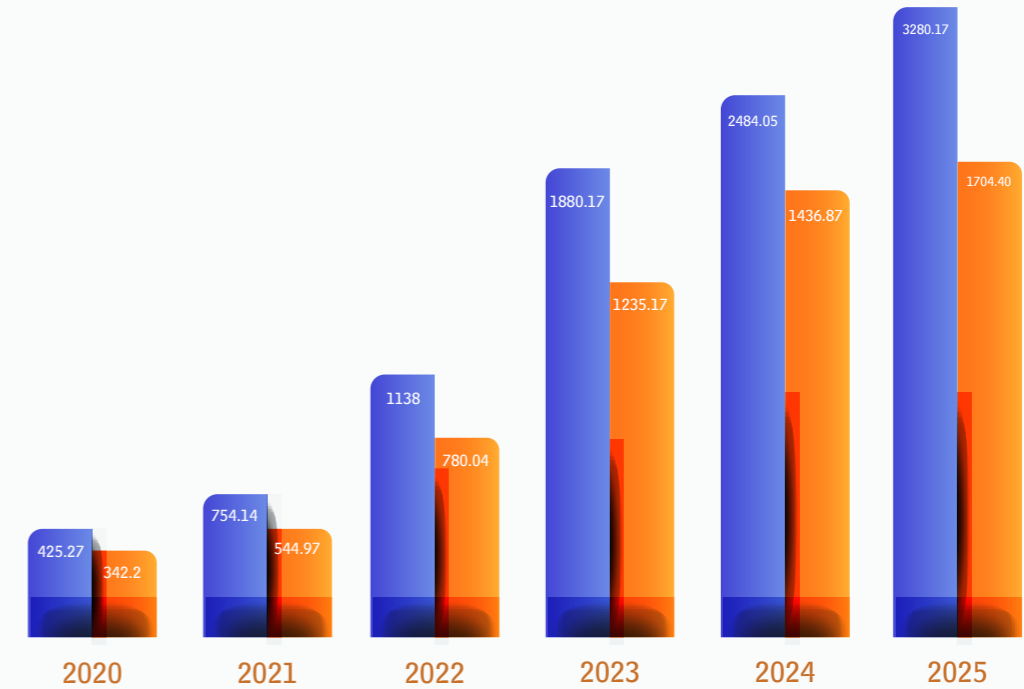
STATE - WISE PRESENCE OF ANNAPURNA MSME FINANCE (AT THE END FY25)



YEAR ON YEAR GROWTH



DISBURSEMENT AND POS GROWTH SINCE INCEPTION



CUMULATIVE DISBURSEMENT Rs (IN CR.) **■ PoS (IN CR.)**

BUILDING DIGITAL CAPABILITIES AND FINANCIAL INCLUSION

To enhance customer experience and operational efficiency, Annapurna Finance has continually invested in its digital infrastructure. The integration of digital repayment platforms, including UPI applications, offers borrowers multiple convenient options for loan repayments. These tech-driven initiatives ensure seamless access to credit, especially for rural and semi-urban MSMEs.

in its digital infrastructure. The Loan Origination System (LOS), in making services efficient and inclusive, while each solution is built to deliver lasting impact. These efforts not only help individuals improve their financial well-being but also support broader goals such as job creation, community development, and environmental sustainability. By enabling people to grow stronger businesses and better lives, Annapurna Finance is shaping a more inclusive and resilient future.

WAY FORWARD- EMPOWERING FUTURES THROUGH PURPOSEFUL FINANCE

Annapurna Finance is committed to supporting entrepreneurs across microfinance and small business segments by offering need-based financial solutions that help them grow, manage challenges, and build long-term stability. From bridging day-to-day cash flow gaps to funding asset creation, its range of products is designed to serve the diverse needs of borrowers in a timely and reliable manner. With a strong branch network and technology-driven platforms, the organization ensures that financial services remain accessible, flexible, and transparent.

Driven by a deep understanding of its customers, it continues to invest in product innovation and responsible design. Technology plays a central role to enhance customer experience and operational efficiency, Annapurna Finance has continually invested



STRATEGIC & RISK MANAGEMENT APPROACH

STRENGTHENING RISK MANAGEMENT AT THE ORGANIZATION

Annapurna Finance continues to reinforce its commitment to sound risk management practices by aligning its operations with a Board-approved Risk Management Framework. This framework supports the systematic identification, assessment, monitoring, and mitigation of various risk categories, including credit, operational, liquidity, financial, strategic, legal, and reputational risks. The objective is to embed a strong risk culture across all levels of the organization, from field operations to senior management.

GOVERNANCE AND OVERSIGHT

The Board of Directors at Annapurna Finance holds ultimate accountability for overseeing the organization's risk management strategy. The Risk Management Framework establishes a standard governance structure that ensures comprehensive oversight across all departments. It serves as a foundation for promoting risk awareness and ensuring consistent risk practices throughout the institution.

RISK CULTURE AND LINES OF DEFENSE

Annapurna Finance adheres to the three-lines-of-defense model to maintain robust internal controls:

First Line: Business units are responsible for managing day-to-day operational risks.

Second Line: Risk management and compliance teams establish the risk framework, monitor Key Risk Indicators (KRIs), and perform Risk Control and Self-Assessments (RCSAs), escalating issues as necessary to MRMC/BRMC.

Third Line: Internal audit independently evaluates control effectiveness, reviews RCSA outcomes, and communicates key findings to the Audit Committee.

RISK ASSESSMENT AND STRATEGY

Risk assessments are conducted across all business and support functions to identify threshold breaches, monitor emerging risks, and ensure compliance with regulatory requirements. These assessments are performed in collaboration with departmental heads, risk management professionals, and external experts when required. Regular reviews and updates are undertaken to keep assessments relevant.

Annapurna Finance employs the NEWS Framework for a standardized and thorough evaluation of risks. The framework comprises:

- **Nature (N):** Identifies and categorizes risks, including emerging concerns such as cybersecurity threats and regulatory changes.
- **Extent (E):** Assesses the severity, frequency, and scope of risks, along with the effectiveness of current controls.
- **Who is Affected (W) - Risk Treatment (Effect):** Prioritize risks based on their financial, operational, and reputational impact, assigning KRIs and defining mitigation timelines.
- **Speed (S):** Enables continuous risk monitoring using automated dashboards and risk registers, ensuring timely interventions.

The insights from the Risk Control and Self-Assessment (RCSA) process form the basis of the organization's risk strategy and ongoing risk response planning.

RCSA – RISK CONTROL AND SELF-ASSESSMENT

The RCSA exercise is a recurring, organization-wide initiative coordinated by the risk function. It involves all departments and includes process mapping, risk event identification, and finalization of KRIs with defined tolerance limits. KRIs are monitored using enterprise risk management (ERM) software, which issues automated alerts for threshold breaches and facilitates escalations. This process strengthens accountability, enables proactive risk tracking, and helps identify areas requiring corrective actions or enhanced oversight.

ENTERPRISE RISK MANAGEMENT (ERM)

Annapurna Finance uses a robust ERM framework aligned with the COSO ERM principles and supported by advanced digital tools. Key features of the ERM software include:

- A centralized repository for risk data, consolidating risk registers and tracking KRI breaches.
- Real-time monitoring of control effectiveness, with automated scoring mechanisms.
- Elimination of manual KRI calculations, reducing errors and enhancing accuracy.
- Visual heat maps and trend analysis tools to prioritize risks and enable proactive management.
- Automated generation of detailed risk reports to support strategic decision-making.

CREDIT RISK MANAGEMENT THROUGH DATA ANALYTICS

Annapurna Finance employs advanced analytics for credit risk monitoring and decision-making. Expected Credit Loss (ECL) modelling incorporates forward-looking macroeconomic indicators sourced from the IMF, World Bank, and CGWB. These inputs are used to model ECL under multiple scenarios.

Automation has been extended to regulatory reporting for entities such as MFIN and the RBI, resulting in increased efficiency and reduced error rates. Internal portfolio reports are generated automatically, and machine learning models are utilized for fraud detection and deviation analysis.

The organization maintains a structured Model Risk Management framework, with dedicated governance mechanisms for validation and continuous oversight of internal and external models. Machine learning models are also deployed for:

- Pin Code Risk Analysis
- Branch Risk Ratings
- Default Prediction Scorecards

These models enable proactive credit monitoring and enhance decision-making at all operational levels.

RISK MITIGATION THROUGH GUARANTEE PROGRAMS

Annapurna Finance participates in the Credit Guarantee Fund for Micro Units (CGFMU), a government-backed initiative that provides partial loan guarantee coverage for microloans. The scheme facilitates access to collateral-free credit for micro and small enterprises by reducing risk exposure for lenders. By leveraging this program, Annapurna Finance supports inclusive finance and promotes entrepreneurship in underserved segments.

WAY FORWARD: ENHANCING QUALITY ASSURANCE AND OPERATIONAL RISK MONITORING

Annapurna Finance plans to leverage Artificial Intelligence (AI) to strengthen credit risk analysis, automate early warning systems, and enhance fraud detection. AI will enable quicker, data-driven assessments of borrower behavior and portfolio patterns, supporting faster and more accurate risk decisions. The organization also plans to integrate Large Language Models and Generative AI to simplify policy reviews, automate risk-related reporting, and track regulatory updates. In addition, specialized external tools will be introduced to improve monitoring of third-party partners and ensure compliance. Together, these efforts aim to build a smart and future-ready risk management system.



PEOPLE & CULTURE

PEOPLE & CULTURE: ENABLING GROWTH THROUGH INCLUSION, CAPABILITY, AND CARE

Annapurna Finance places people at the core of its operational excellence, fostering a workplace built on integrity, inclusivity, continuous learning, and employee well-being. In last financial year, the organization strengthened its workforce strategy through impactful learning initiatives, meaningful employee support systems, and a commitment to diversity and inclusion.

LEARNING & DEVELOPMENT: BUILDING SKILLS FOR A FUTURE-READY WORKFORCE

At Annapurna Finance, Learning & Development plays a central role in building a capable workforce through structured induction and continuous, role-based training. In FY 2025, over 1,076 sessions were conducted, reaching 17,763 participants—including 13,837 through induction and 3,960 via functional, behavioral, and leadership programs—supporting growth at every level.

FLAGSHIP PROGRAMS:

LEAD (LEADERSHIP EXPLORATION AND DEVELOPMENT)

The LEAD initiative strengthens Annapurna Finance's leadership pipeline by equipping new and experienced Branch Managers with essential managerial and operational skills. Its two-tier structure—LEAD 1.0 for newly promoted ABMs and LEAD 1.1 for experienced or newly joined BMs—focuses on smoother role transitions, business ownership, team management, and branch governance. Facilitated by functional leaders, it helps standardize leadership practices across branches.

PRODUCTIVITY ENHANCEMENT TRAINING

This program address performance challenges by offering targeted retraining to employees with over one year of tenure who have shown low performance in recent months. It focuses on process reorientation, communication, and confidence-building to help employees realign with goals and improve overall productivity.

SEED (SKILL ENHANCEMENT AND EMPLOYEE DEVELOPMENT)

SEED enhances the effectiveness of support functions like Credit and Audit by improving role clarity, reducing errors, and increasing regulatory awareness. Through interactive sessions and case-based

learning, the initiative promotes accuracy, collaboration, and proactive problem-solving.

CARE (CUSTOMER ADVOCACY & REDRESSAL EXCELLENCE)

CARE builds employee capacity in customer handling through empathy-led communication, timely complaint resolution, and trust-building. It trains staff in listening, managing difficult conversations, and documentation accuracy—ensuring improved client experience and service recovery.

YLDP (YOUNG LEADERS DEVELOPMENT PROGRAMME)

YLDP prepares high-potential Branch, Unit, and Area Managers for greater leadership roles. With a mix of classroom learning, field assignments, and mentoring, it focuses on team leadership, communication, and planning to strengthen mid-level management.

WLDP (WOMEN LEADERSHIP DEVELOPMENT PROGRAMME)

WLDP is aimed at empowering women across the organization to step into leadership. It blends soft skills, mentorship, and operational learning to enhance self-confidence and visibility, contributing to Annapurna Finance's goal of greater gender inclusion.

NATS (NATIONAL APPRENTICESHIP TRAINING SCHEME)

Under NATS, Annapurna Finance trains apprentices across its branches, supporting youth employability and national skilling goals. Apprentices are guided through core processes and client-centric practices, building a pipeline of future-ready talent.

CHAI, COFFEE & CHARCHA

This informal peer learning platform promotes soft skill development and cross-functional knowledge sharing. Through open discussions on workplace challenges, it fosters collaboration, learning, and team bonding in a relaxed setting.

AARAMBH – INDUCTION FOR MANAGEMENT ASSOCIATES

AARAMBH is the structured onboarding program for Management Associates, especially MBA graduates. It combines classroom sessions, field exposure, and interdepartmental engagement to help new joiners understand Annapurna Finance's culture, operations, and values—laying the foundation for future leadership.

COMPENSATION & BENEFITS

COMPETITIVE & ROLE-ALIGNED PAY STRUCTURE

Annapurna Finance continues to ensure fair, market-aligned pay for key frontline roles such as Field Credit Officers (FCOs), Development Officers (DOs), and

Assistant Branch Managers (ABMs), reinforcing its commitment to recognizing field staff contributions and staying competitive in the sector.

PERFORMANCE-LINKED INCENTIVES

Structured performance-based incentive models are in place to motivate employees toward delivering results aligned with organizational goals. These models are designed to encourage high performance while rewarding impact.

EMPLOYEE WELFARE

SATHI SURAKSHA SCHEME

Launched during the pandemic, this welfare scheme supports families of affected employees through long-term assistance. It has provided pension support to seven families and educational aid to children from two families.

HEALTH & WELL-BEING INITIATIVES

- Health Camps: Organized for 464 staff members, benefiting nearly 928 individuals including family.
- Virtual Wellness: Over 60% of staff participated in fitness and mental health sessions focused on stress and resilience.
- Road Safety: Regular safety sessions and digital flyers promote responsible travel among field teams.
- Women's Day Health Camps: Reached 96 women employees with essential healthcare support.

EMPLOYEE BENEFITS

STATUTORY & FINANCIAL SECURITY

- Provident Fund, Gratuity (for 227 employees and 14 future beneficiaries), and ESIC coverage extended to 13 employees (12 maternity, 1 accidental case).
- Salary-linked insurance continues to provide strong protection across the workforce.
- Permanent Disability Coverage offers financial security during unforeseen life events.
- Funeral assistance of ₹10,000 each was provided to the families of 20 employees, totaling ₹2,00,000.

INSURANCE & MEDICAL SUPPORT

- Medclaim for 1,566 employees and dependents, with coverage of ₹2-5 lakhs.
- Welfare Fund provided emergency medical aid, including a ₹2 lakh advance for one urgent case.
- Salary continuation benefits are extended to staff undergoing prolonged treatment, such as cancer recovery.

YOUTH SKILLING THROUGH NATS

Under the National Apprenticeship Training Scheme (NATS), 957 apprentices were onboarded across locations. The initiative also enabled a ₹3.20 crore support claim from BOPT, promoting employability and vocational learning.

CULTURAL ENGAGEMENT: STRENGTHENING BELONGING THROUGH CELEBRATION AND CREATIVITY

Cultural celebrations across regions brought employees together during festivals like Holi, Diwali, Janmashtami, and Rajo. Activities included games, traditional dress-ups, and food stalls—enhancing camaraderie and cultural pride.

Annual Sports Meets engaged over 300 employees in inter-branch athletic contests. Foundation Day and talent shows offered creative expression and recognition for artistic talents, while Edutainment Sessions integrated gamified and story-driven formats into professional learning.

DIVERSITY, EQUITY & INCLUSION: EMPOWERING REPRESENTATION AND OPPORTUNITY

DEI principles are embedded into Annapurna Finance's work culture. Strong implementation of Prevention of Sexual Harassment (POSH) policies, gender sensitization, and awareness workshops ensured safe and respectful workplaces. Internal Complaints Committees (ICCs) were active across all locations.

Binni, the flagship women-centric recruitment program, onboarded 381 women across field and leadership roles. As of March 2025, women constituted 11% of the workforce, with growth seen in operational roles from 946 to 1,528. Initiatives like WLDP and the Gender Leadership Program continue to build an inclusive leadership pipeline.

The organization views DEI as a continuous journey to ensure equitable, safe, and empowered workspaces that reflect the organization's mission and the communities it serves.

STRATEGIC WORKFORCE GROWTH: SCALING WITH PURPOSE

Annapurna Finance's workforce expanded by 30% year-on-year, reaching 15,709 employees by March 2025. Net addition of 3,638 employees was achieved through campus hiring and local recruitment, especially in Tier II and III regions. This approach ensured regional representation and stronger field-level alignment.

Digital transformation was advanced through platforms like FIMO and HROne, streamlining real-time operations across HR functions such as attendance, payroll, onboarding, and performance management.

These developments reflect organization's people-first strategy—centered on growth, inclusiveness, and operational excellence—as the organization continues to empower communities through responsible financial services.



DIVERSITY & INCLUSION

BUILDING A GENDER-EQUAL AND SENSITIVE WORKPLACE

“

“With 98% women in its customer base, Annapurna Finance champions inclusive growth by placing gender diversity, equity, and inclusion at the core of every policy and process-fostering a workplace that respects diversity, promotes equity, and advances true inclusion.”

”

Increase in Women Employees YoY

49.4

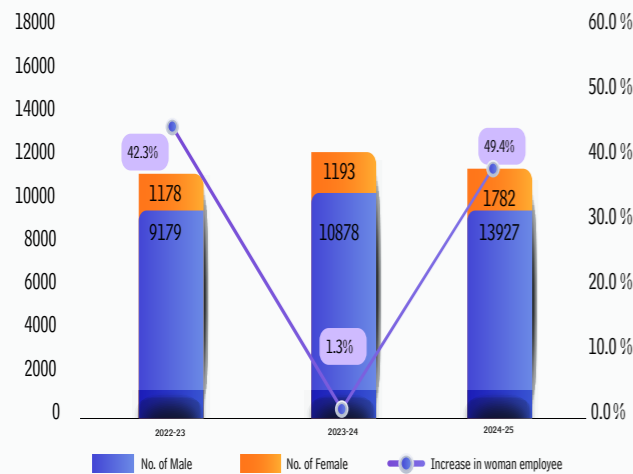
Employee Coverage of Gender Sensitivity Training

6326

Employee Net Promoter Score

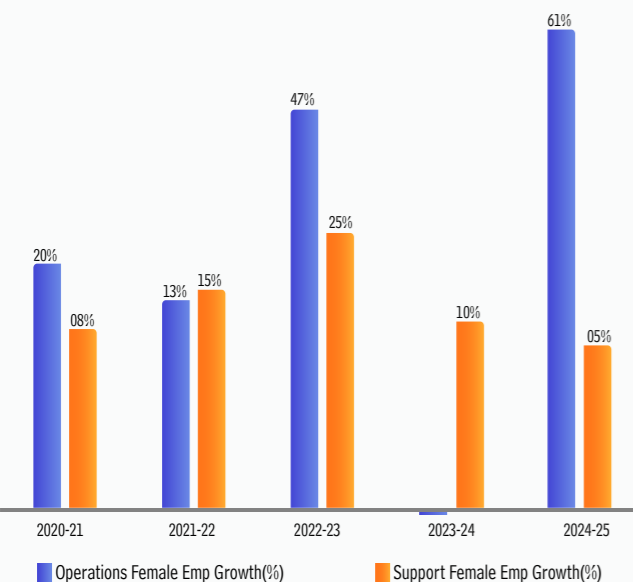
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WORKFORCE DIVERSITY



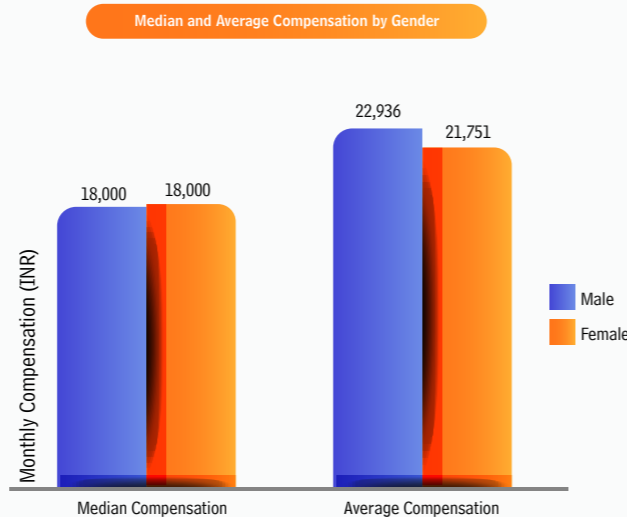
Annapurna Finance considers its workforce the foundation of its success. The dedication and resilience of its employees are central to serving clients effectively, delivering value to stakeholders, and making a meaningful impact in society. With a strong focus on inclusion, the organization continues to advance demographic diversity and equitable representation at all organizational levels. In FY 2024-25, women made up 11% of the total workforce, reflecting consistent efforts to build a more gender-balanced and inclusive workplace.

YEAR-ON-YEAR GROWTH IN FEMALE EMPLOYEES



The organization has seen steady year-on-year growth in female employee representation, particularly in operational roles. This progress reflects targeted efforts to recruit, retain, and promote women across roles and functions. The consistent increase in women employees across both Operations and Support functions reinforces Annapurna Finance's commitment to fostering a workplace where women can grow, contribute, and lead.

GENDER PAY GAP



In FY 2024-25, there was no gender pay gap when comparing the median salary, highlighting Annapurna Finance's position as an equal opportunity employer. Median salary data provides a fair measure by reducing the influence of outliers, especially in contexts where gender participation varies across experience levels and job roles. However, based on mean salary, female employees earned 5.17% less than their male counterparts—primarily due to differing levels of tenure, role distribution, and participation in higher-paying positions. This analysis underscores the organization's continued focus on fair pay and equitable opportunities for all.

GENDER-SENSITIVE POLICIES AND PROGRAMS

Annapurna Finance has embedded gender sensitivity into its organizational policies and welfare programs. The company provides a comprehensive benefits package that includes accident and health insurance, parental leave, provident fund, and gratuity. These offerings are tailored to employee needs and outlined clearly within gender-responsive policy documents.

To create a safe and respectful work environment, Annapurna Finance enforces a zero-tolerance policy toward sexual harassment. POSH (Prevention of Sexual Harassment) awareness has been promoted by displaying posters in local languages across 1,414 branches. This initiative plays a key role in cultivating a gender-sensitive workplace and ensuring the safety and dignity of every employee.

FIELD BENEFITS EXCLUSIVELY FOR WOMEN

- Dedicated accommodation and separate washroom facilities
- Posting locations within 50 km from their home district

GENDER-PROACTIVE INITIATIVES

- Gender sensitization training for all employees
- Interest-free two-wheeler loan for female employees
- Internal Job Postings based on need and eligibility
- Parental leave for both parents

SPECIAL BENEFITS FOR EXPECTING AND NEW MOTHERS

- Up to 12 weeks of adoption leave
- Nutrition packages for expecting mothers
- Subsidized personal loans for prolonged maternal medical treatments
- Flexible work options during critical childcare periods

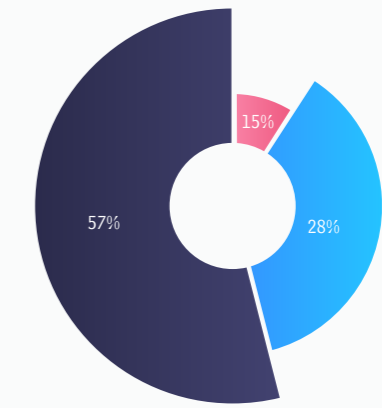
GENDER LEADERSHIP PROGRAM (SAMANVI)

Launched in FY 2022-23, the "Samanvi" program has played a pivotal role in promoting gender inclusion across Annapurna Finance. This initiative appoints and trains Gender Leaders to champion gender equity across all locations and verticals. In FY 2024-25, the program had 34 active Gender Leaders across 15 states, with women comprising 24% of this group. Fourteen new leaders were added through a comprehensive training and assessment process.

So far, Samanvi has reached 6,326 employees—around one-third of the total workforce—through sensitization workshops and awareness campaigns. Bihar led in participation (34%), followed by Uttar Pradesh (17%) and Odisha (16%).

Post-training feedback showed:

- 98% satisfaction with the training content
- 96% satisfaction with delivery
- 91% overall satisfaction with the workshop experience



Legend: FGD (57%), Gender Training (28%), Sensitization Workshop (15%)

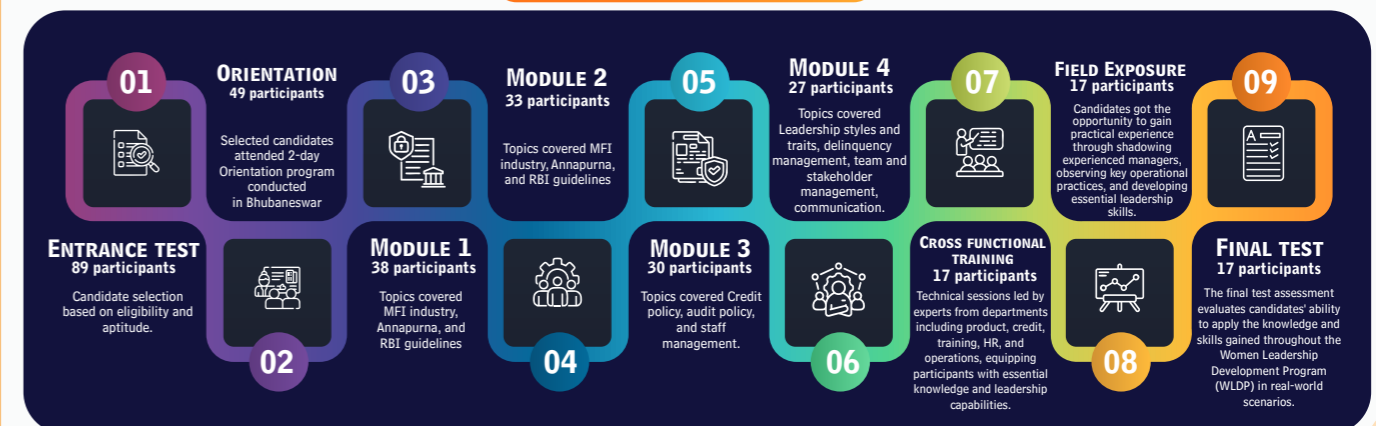
These results reflect growing awareness of gender equity, better interpersonal understanding, and stronger commitment to inclusion across the organization.

WOMEN LEADERSHIP DEVELOPMENT PROGRAM (ADWITIYAA)

As part of its long-term DEI vision, Annapurna Finance introduced the Women Leadership Development Program (WLDP), named Adwitiyaa, to nurture future women leaders in operational roles. Over a 12-month period, 49 participants engaged in structured training delivered through a hybrid format, covering topics such as RBI guidelines, sector insights, communication, leadership, decision-making, and field exposure.

Seventeen participants successfully completed all modules and assessments, achieving an average score of 61.8%. These women demonstrated exceptional performance in team and branch leadership, positioning them for expanded responsibilities in the future. Senior leaders acknowledged the program's impact in enhancing confidence, strategic thinking, and accountability among participants. Adwitiyaa continues to be a vital initiative in building an empowered and gender-diverse leadership pipeline at Annapurna Finance.

WLDP Journey



DISTRIBUTION OF PREGNANCY PACKAGES FOR FEMALE EMPLOYEES

Annapurna Finance places strong emphasis on employee well-being, with a special focus on supporting women through key stages of life. As part of this commitment, the organization extends dedicated care to expecting mothers by providing thoughtfully curated pregnancy care packages. These packages include essential health supplements and wellness products designed to promote a healthy and comfortable pregnancy. In the financial year 2024-25, Annapurna Finance distributed 12 such packages to pregnant employees as a gesture of encouragement and support during their maternity journey.

HEALTHY GOSSIP: MONTHLY HEALTH AWARENESS SESSIONS

Reinforcing its position as a women-centric organization committed to inclusive growth, Annapurna Finance conducted monthly virtual health awareness sessions exclusively for female employees. A total of 12 sessions were held over the year, reaching 1,597 participants. These sessions were facilitated by experienced medical professionals including gynaecologists, oncologists, endocrinologists, dermatologists, and psychiatrists. Topics covered included menstrual health, hormonal disorders, pregnancy and family planning, balanced nutrition, and mental wellness. The initiative aimed to promote awareness, encourage preventive care, and foster a safe, informed space for women to openly engage in discussions about their health and overall well-being.

EMPLOYEE ENGAGEMENT SURVEY

Annapurna Finance conducted its annual Employee Engagement Survey to assess the levels of employee satisfaction, motivation, and organizational commitment across its operational verticals. In FY 2024-25, a total of 1,289 employees participated in the survey across the MFI, MSME, and TIH verticals. The feedback focused on eight key indicators: Friendly Workplace, Inclusiveness, Equality, Growth, Recognition, Loyalty, Work-Life Balance, and Gender Sensitivity.

POLICY AWARENESS

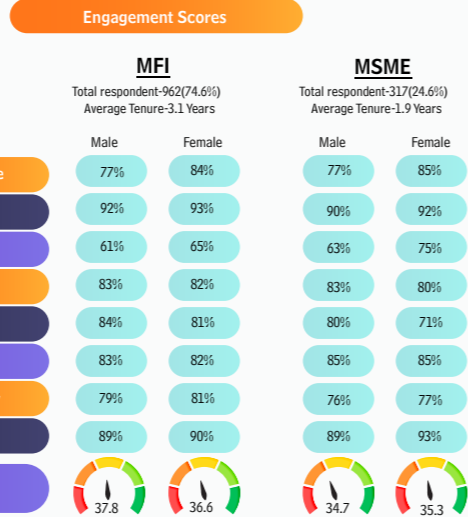
The survey results indicated a high level of awareness about organizational policies, with 89% of respondents reporting that they know where to access policy-related information. Awareness levels ranged between 86% and 94%, with the Code of Conduct being the most recognized policy at 94%. However, 40% of respondents expressed a desire for more frequent policy updates. Awareness of the POSH (Prevention of Sexual Harassment) Policy stood at 86%, highlighting the need for further communication and reinforcement of gender safety protocols.

FACILITY SATISFACTION

Overall satisfaction with organizational facilities remained consistently high, with scores between 65% and 68% across various categories. Leave provisions received the highest satisfaction rating at 68%. Among female employees, 65% rated the organization's safety measures-particularly for field travel-as excellent, reflecting the company's efforts to provide a secure working environment.

ENGAGEMENT SCORES

The Employee Net Promoter Score (E-NPS), which measures the likelihood of employees recommending the organization, reflected positive sentiment across business verticals. The MFI vertical recorded an E-NPS of 37.7, MSME at 34.7, and TIH was neutral at 0 due to a limited sample size. Among respondents, male employees reported an E-NPS of 37, while female employees recorded 34. Both groups had a Promoter share between 56% to 59%, compared to 22% Detractors. These scores indicate a strong overall endorsement of Annapurna Finance as a positive and supportive workplace.



KEY FINDINGS:

The survey underscored Annapurna Finance's strengths in promoting inclusiveness and equality, with employees expressing a strong sense of recognition and clear visibility of growth opportunities. These findings reflect a positive organizational culture that values fairness and merit. However, work-life balance emerged as an area of concern, particularly within the MFI and MSME sectors. This presents an important opportunity for targeted interventions aimed at enhancing employee well-being and strengthening long-term engagement across the workforce.

WAY FORWARD- EMPOWERING PEOPLE. ENABLING PROGRESS.

Annapurna Finance remains focused on fostering a people-first culture that drives commitment, growth, and belonging. The organization is committed to creating a supportive environment where employees see long-

term value and opportunity. By aligning talent strategies with operational priorities-particularly at the grassroots and branch levels-the organization aims to strengthen on-ground impact. Key focus areas include capability building, employee well-being, continuous learning, inclusion, and recognition. Empowered and engaged teams remain central to driving the Annapurna Finance's mission forward.



CORPORATE GOVERNANCE FRAMEWORK

ANNAPURNA FINANCE'S GOVERNANCE IN CULTURE AND PRACTICE:

At Annapurna Finance, governance is viewed as a culture, not just a compliance mechanism. Rooted in its philanthropic origins, the organization integrates customer-centric principles and social responsibility across all levels of decision-making and operations.

Aligned with evolving NBFC norms and RBI's scale-based regulatory framework, Annapurna Finance's governance emphasizes agility, digital adoption, and risk resilience. The Board of Directors, having diverse expertise, plays an active advisory and oversight role—guiding strategy, ensuring regulatory compliance, and promoting innovation and sustainability.

This future-ready governance model ensures that customer welfare, ethical conduct, and long-term value creation remain central to an organization's growth journey.

DECENTRALIZATION OF POWER AND DELEGATION

The organization follows a decentralised governance model with clear delegation of authority, enabling swift decision-making and strategic clarity between the Board and shareholders. The Board provides oversight, while diverse shareholder representation enhances discussions with varied perspectives.

Governance is embedded across all levels through a committee-driven structure that ensures regulatory compliance and operational alignment. The organization also collaborates with external experts to strengthen technology adoption, policy development, and regulatory readiness—ensuring resilience and adaptability in a dynamic NBFC landscape.

COMMUNICATION MATRIX

Annapurna Finance ensures open, two-way communication between leadership and teams, fostering alignment with strategic goals and strengthening accountability. The organization emphasizes proactive dialogue and premortem thinking to identify potential risks early, ensuring cohesive and informed decision-making across all levels.

COLLABORATIVE GOVERNANCE APPROACH AT POLICY LEVEL

The organization adopts a transparent, stakeholder-inclusive approach to policy formulation, encouraging inputs from employees, management, clients, and investors. Rather than top-down mandates, the organization prioritizes collaboration and dialogue, ensuring policies are both practical and widely accepted. This inclusive governance model strengthens accountability, builds trust, and aligns with evolving expectations for participative decision-making in India's NBFC sector.

GOVERNANCE FRAMEWORK ON CLASSIFICATION OF FINANCIAL ASSETS

It follows a risk-based approach to portfolio classification, with board-approved policies aligned to regulatory and Ind AS standards. Key frameworks include asset sale policies under the amortized cost model and robust ECL computation procedures, ensuring proactive credit risk management and regulatory compliance.

GOVERNANCE OF LIQUIDITY RISK MANAGEMENT:

The Board oversees liquidity risk, setting strategy and tolerance levels, while delegating monitoring to ALCO. Supported by a dedicated team, ALCO ensures timely reporting and proactive management, strengthening the organization's resilience and compliance.

CUSTOMER-CENTRIC APPROACH

Annapurna Finance upholds strong customer protection by capping microfinance interest rates, enforcing a Fair Practice Code with transparent disclosures, maintaining a dedicated helpline with escalation protocols, and operating an Internal Ombudsman Scheme. As a member of RBI-registered self-regulatory bodies, it ensures adherence to the highest service standards.

RESPONSIBLE LENDING

Annapurna Finance's balance sheet features a diversified loan portfolio, including microfinance and MSME segments, guided by a strong commitment to responsible and ethical lending. Reflecting recent industry shifts, the organization employs an earnings-based credit assessment model for unsecured loans, prioritizing borrowers' genuine repayment capacity over mere spending patterns. This approach mitigates credit risk and promotes sustainable lending, supporting financial inclusion and long-term portfolio quality.

COMPLIANCE FUNCTION

The Compliance Function is an integral part of effective governance, along with the internal control and risk management processes. The Board has established an appropriate Compliance Policy and implemented it. The Compliance Function ensures strict observance of all statutory and regulatory requirements, including standards of market conduct, managing conflicts of interest, treating customers fairly, and ensuring the suitability of customer service. It monitors and tests compliance by performing sufficient and representative compliance testing, and the results are reported to Senior Management. It periodically circulates instances of compliance failures among staff, along with the required preventive instructions.





COMMITMENT TO FAIR PRACTICE CODE

As a NBFC -MFI, Annapurna Finance is categorized under the Middle Layer as per the RBI's Scale-Based Regulatory (SBR) Framework. The organization upholds the principles of responsible lending, transparency, and ethical conduct in both letter and spirit. In alignment with the guidelines issued by RBI, including the Fair Practice Code for NBFC-MFIs, the Master Direction on Microfinance Loans (2022) and Scale-Based Regulatory (SBR) Framework, the organization has adopted a comprehensive Fair Practice Code. This Code has been formulated to ensure adherence to fair business practices and a customer-centric approach and is subject to periodic review and revision in line with prevailing regulatory guidelines and directions.

In line with its mission to advance financial inclusion, Annapurna Finance is committed to delivering microfinance services to underserved and low-income communities with integrity, transparency, and accountability. It has adopted a Board-approved Fair Practice Code (FPC) in compliance with the RBI Guidelines. The FPC lays down the principles of fair lending, ethical customer engagement, and transparent disclosure, thereby ensuring borrowers are treated with dignity and respect at every stage of their financial journey. The organization maintains the highest standards of professional conduct and implements non-coercive, respectful recovery practices. It remains vigilant against fraud, misrepresentation, and unethical behavior, reaffirming its commitment to responsible finance and customer protection as per RBI's regulatory expectations.

The Fair Practice Code ensures that borrowers are treated fairly and ethically throughout the product loan lifecycle. Key features of the FPC include:

- Clear and timely communication of loan terms in a vernacular language.
- Display of the FPC in vernacular language at all offices and branches.
- Issuance of a Key Fact Statement (KFS) and Loan Card detailing loan terms, repayment terms and customer rights.
- Robust Grievance Redressal Mechanism with designated nodal officers at zonal level.
- No prepayment/delayed payment penalties and no security deposits.
- Regular staff training on borrower engagement, responsible recovery, and regulatory compliances.
- Board-level annual review of adherence to the FPC and related RBI norms.

CUSTOMER RELATIONSHIP MANAGEMENT

CUSTOMER GRIEVANCE AND ENGAGEMENT

Annapurna Finance, in alignment with its customer-centric values, maintains a robust and transparent grievance redressal and engagement framework. Recognizing that customer satisfaction is vital to operational success, the organization has developed a comprehensive approach that includes defined feedback channels, structured resolution protocols, and proactive engagement strategies. These measures are designed to foster long-term trust, uphold fairness, and strengthen customer relationships.

OVERVIEW

The Customer Grievance and Engagement (CGE) report for FY 2024-25 provides an in-depth view of customer interaction metrics and organization's performance in addressing client concerns. During this period, Annapurna Finance handled 89,404 service tickets, achieving a resolution rate of 99.9% by the end of the fiscal year. The remaining 0.1% of cases, received near year-end, were resolved within the stipulated Turnaround Time (TAT).

Customer interactions were systematically classified into Queries, Service Requests, and Complaints to ensure organized processing and comprehensive analysis. A dedicated call centre, with call-recording facilities for all inbound and outbound calls, supported efficient customer communication. The average talk time recorded was 5 minutes and 9 seconds.

KEY ELEMENTS OF THE GRIEVANCE REDRESSAL AND ENGAGEMENT FRAMEWORK INCLUDE:

Clear Categorization: Customer issues are classified as Queries, Service Requests, or Complaints. Only complaints with verifiable details are accepted; anonymous submissions are not permitted.

Multi-Channel Accessibility: Customers can register grievances through various platforms, including branch offices, complaint boxes, Regional Nodal Officers (RNOs), the Principal Nodal Officer (PNO), a toll-free IVR number, and a dedicated grievance email ID (grievance@ampl.net.in).

Centralized and Automated System: A centralized ticketing platform (such as Zoho Desk) is used for registering grievances. The system auto-generates ticket numbers for customer reference, enabling real-time tracking, automated escalation, and streamlined reporting.

Tiered Resolution Structure: A structured four-level hierarchy ensures that grievances are reviewed and resolved by appropriate personnel. The Principal Nodal Officer is authorized to make final decisions in most cases.

Independent Oversight through Internal Ombudsman: Complaints that are partially or fully rejected are escalated to the Internal Ombudsman (IO) within 20 days. The IO's decision is typically binding, ensuring impartial grievance review.

Defined Resolution Timelines: The Standard Operating Procedure (SOP) stipulates a 30-day maximum TAT for resolving grievances. Sub-timelines are outlined for each stage, from registration to resolution. Non-compliance with these timelines allows customers to escalate their concerns to the RBI Ombudsman.

Regulatory Compliance: Annapurna Finance fully adheres to Reserve Bank of India (RBI) regulations by prominently displaying contact details for nodal officers and the RBI Ombudsman at all branches and on its website. The institution also complies with specific timelines for responding to the RBI Ombudsman's queries and decisions.

Transparent Communication: Customers receive written communication regarding the resolution of their complaints through SMS or email. Closure is confirmed only upon successful delivery and acknowledgment of this communication.

GRIEVANCE REDRESSAL MECHANISM

Annapurna Finance has established a multi-tiered grievance redressal system that ensures prompt and effective resolution of customer issues. This includes:

- Multiple access points such as toll-free helplines, email, complaint boxes at branches, and contact with Nodal Officers.
- A maximum TAT of 30 days for grievance resolution.
- A dedicated Customer Service and Grievance Redressal Cell at the Head Office.
- An escalation matrix aligned with RBI norms.

KEY STATISTICS FOR FY 2024-25:

- Total tickets received: 89,404
- Total tickets resolved by March 2025: 89,333
- Resolution rate within defined TAT: 80%
- TAT reduction: 60%, from 9.82 days in Q1 to 4.1 days in Q4

- Total number of formal grievances: 3,171
- Average resolution time for grievances: 6.4 days
- Top complaint categories: Foreclosure, loan status updates, EMI discrepancies
- States with the highest grievances: Madhya Pradesh, Odisha, Bihar

TECHNOLOGY-ENABLED INITIATIVES

To enhance the efficiency and transparency of its grievance handling, Annapurna Finance has implemented several technological interventions:

- Deployment of a specialized ticket management software to streamline issue tracking and resolution.
- Integration of automated workflows, Service Level Agreements (SLAs), alert systems, and email notifications within the grievance system.
- Implementation of call recording for both inbound and outbound interactions, ensuring accountability and quality assurance.

CUSTOMER ENGAGEMENT INITIATIVES

CGE SYSTEM ENHANCEMENTS

Annapurna Finance has introduced multiple updates to strengthen its customer engagement model, including the formation of a Customer Relationship Committee (CRC) and the establishment of a dedicated Recovery Grievance Cell. Efforts are underway to verify and update customer contact information through branches, supported by continuous employee training and monthly performance recognition initiatives within the grievance cell.

MSME-FOCUSED CALL CAMPAIGNS

Targeted outbound campaigns have been launched to engage specific MSME customer segments. These include:

- Customers who have deactivated their NACH mandates
- Customers with high NACH bounce rates
- Clients with large loan ticket sizes
- Non-starter loan cases

A significant outreach was also undertaken for the RTS Loan Campaign to re-engage and support MSME clients.

COMMUNICATION ON COMPLAINT STATUS

A strong emphasis has been placed on the reliability of message delivery throughout the grievance lifecycle—from initial registration to closure. Monitoring the effectiveness of these communications helps ensure transparency and timely resolution, especially in cases where lack of clarity is identified as a root cause of dissatisfaction.

PUBLIC WARNING DISSEMINATION

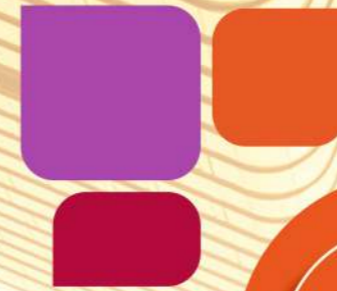
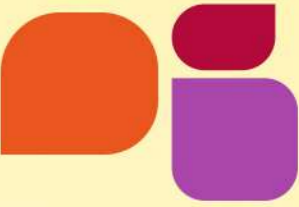
In response to Cyclone DANA, Annapurna Finance issued public warnings through multiple communication channels to maximize awareness and ensure public safety.

CONCLUSION

Annapurna Finance's CGE framework demonstrates a strong and evolving commitment to customer satisfaction through structured grievance mechanisms, technology integration, and targeted outreach. Significant improvements have been achieved in grievance resolution timelines and process standardization. However, recurring challenges related to complaint categories such as insurance claims, foreclosure procedures, and EMI discrepancies require ongoing attention.

Operational issues like call drops and technical glitches continue to impact customer experience and are being addressed through infrastructure enhancements and focused staff training. Strengthening customer education and reinforcing digital communication systems remain pivotal in building trust and service quality.

Annapurna Finance continues to prioritize transparent, accessible, and fair grievance redressal mechanisms that not only enhance customer experience but also provide critical insights for product improvement and institutional learning.



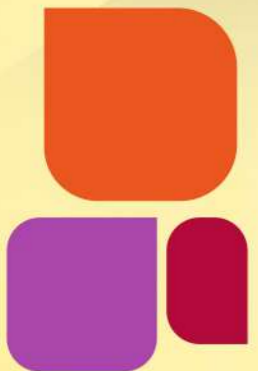
03



INNOVATION, IMPACT & SUSTAINABILITY

INNOVATION, IMPACT & SUSTAINABILITY

- DRIVING GROWTH THROUGH INTEGRATION, INNOVATION, AND CYBER EXCELLENCE
- BRANDING & STRATEGIC INITIATIVES
- TECH-ENABLED PROGRESS
- INSIDE THE TECH SHACK
- ESG INTEGRATION FOR SUSTAINABLE GROWTH AND ENVIRONMENTAL COMMITMENT

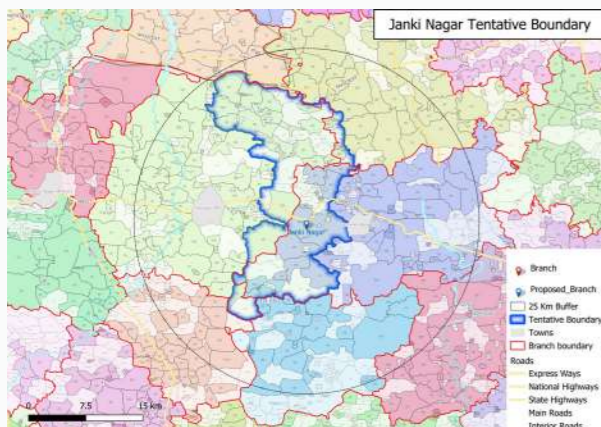


DRIVING GROWTH THROUGH INTEGRATION, INNOVATION, AND CYBER EXCELLENCE

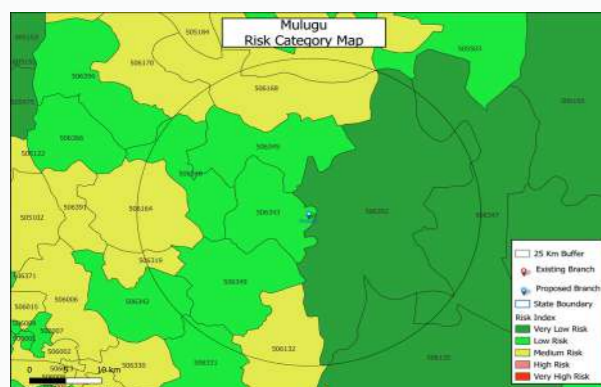
KEY PERFORMANCE HIGHLIGHTS ACROSS GEOGRAPHY, TECHNOLOGY, AND CYBER SECURITY

In the last financial year, Annapurna Finance made significant progress in expanding its national footprint. As part of its strategic growth efforts, the organization extended its presence across various states through informed spatial planning and location-specific insights. A notable milestone was its expansion into Telangana, where 29 new branches were established, strengthening outreach in the southern region.

Further consolidation occurred with 63 new branches each in Odisha and Bihar, and 22 in Uttar Pradesh, reinforcing Annapurna Finance's presence in key northern and eastern markets. Additional branches were launched in Madhya Pradesh, Rajasthan, Maharashtra, Karnataka, and Tamil Nadu—smaller in scale but integral to long-term national integration and inclusive outreach.



This expansion was driven by detailed geospatial assessments, enabling optimized branch distribution and improved customer accessibility. It not only enhanced service delivery but also aligned with Annapurna Finance's mission to serve diverse communities more effectively. These developments support the organization's broader objective of sustainable, pan-India financial inclusion.



CYBER SECURITY INITIATIVE

BUILDING A RESILIENT DIGITAL ECOSYSTEM

As part of its ongoing commitment to operational resilience and regulatory compliance, Annapurna Finance launched a comprehensive cybersecurity initiative to strengthen digital defences across systems, infrastructure, and user interfaces.

- **End-to-End Vulnerability Management:** Internal and external Vulnerability Assessment and Penetration Testing (VAPT) were conducted for all critical business applications in both on-premises and cloud environments to detect and address security gaps.
- **Next-Generation Network Security:** Advanced firewalls and Web Application Firewalls (WAF) were deployed to secure applications and establish a Demilitarized Zone (DMZ), offering stronger protection against external threats.
- **Security Operations Center (SOC) Enablement:** A proof of concept was executed to integrate essential security feeds from sources such as firewalls, Endpoint Detection and Response (EDR), Deep Security, CloudWatch, SQL, and Postgres. This enhances enterprise-wide threat detection and response.
- **Patch Management Program:** A structured approach was adopted to regularly identify and resolve vulnerabilities across critical infrastructure, ensuring improved system hardening and minimized exposure to cyber risks.
- **Regulatory Compliance:** Annapurna Finance implemented a continuous monitoring framework to promptly address advisories issued by CERT-In and the Reserve Bank of India (RBI), ensuring alignment with all mandated cybersecurity protocols.
- **Cyber Awareness and Behavior Change:** A year-long internal campaign was conducted to strengthen cyber hygiene across the organization. Key components included:
 - Monthly observance of Cyber Jagrookta Diwas
 - Regular cybersecurity training sessions and quizzes
 - Phishing simulation exercises
 - Monthly Cyber Digest to highlight emerging threats and best practices

This multifaceted initiative reflects Annapurna Finance's commitment to fostering a secure and future-ready digital environment. By combining technological advancement, regulatory compliance, and employee engagement, the organization continues to drive innovation while safeguarding customer trust and enterprise integrity.

As Annapurna Finance expands its geographical footprint across diverse regions, ensuring strong cybersecurity awareness becomes essential. With a growing number of branches and digital touchpoints, safeguarding data, systems, and customer trust is critical. Cybersecurity readiness across all locations helps prevent threats, ensures compliance, and supports seamless operations—making digital security an integral part of inclusive, technology-driven growth.



BRANDING & STRATEGIC INITIATIVES

STRENGTHENING CORPORATE COMMUNICATION AND BRAND IDENTITY FRAMEWORK

Annapurna Finance has redefined what it means to be a purpose-led brand in the financial services sector. Anchored in ethical principles and community-centric values, the organization positions itself not merely as a financial institution but as a catalyst for empowerment. By aligning its long-term vision with innovation, Annapurna Finance has built a brand identity that resonates with a wide spectrum of audiences and fosters enduring trust among all stakeholders.

STRATEGIC BRANDING: WHERE PURPOSE MEETS PRACTICE

The brand identity of Annapurna Finance is rooted in clarity, consistency, and integrity. Every element of its communication—visual, verbal, or experiential—reflects the core values of inclusion, transparency, sustainability, and impact. Through a strategic and integrated approach, Annapurna Finance ensures consistent brand visibility across platforms, enhancing recall and strengthening engagement with clients, investors, and communities.

- **Multi-Channel Presence:** Annapurna Finance creates a lasting impression through digital outreach, field visibility, and community-facing programs.
- **Brand Guardianship:** Every brand asset upholds the organization's commitment to ethical conduct and trust.
- **Design with Purpose:** Logos, merchandise, stage elements, and creatives are designed to visually narrate the organization's mission and reinforce its values.

COMMUNICATION AS A BRIDGE TO CONNECTION

Effective communication is central to Annapurna Finance's operational excellence and stakeholder engagement. The organization fosters a culture of transparency, responsiveness, and collective purpose to ensure meaningful internal alignment and strong external credibility.

- **Internal Synergy:** Communication tools such as newsletters, annual reports, employee recognition initiatives, and leadership messages help drive alignment across the organization.
- **Stakeholder Relations:** Structured, consistent communication with clients, partners, and investors promotes lasting trust and reinforces the organization's accountability.
- **Value Translation:** Messages around product launches, financial literacy, and awareness campaigns are crafted to be clear, relevant, and accessible for all audiences.

INNOVATIVE ENGAGEMENT: CREATING EXPERIENCES, NOT JUST MESSAGES

Annapurna Finance goes beyond conventional communication by designing immersive experiences that foster emotional and intellectual engagement. Digital campaigns are curated to generate dialogue, increase impact awareness, and highlight transformational outcomes.

- **Immersive Storytelling:** Impact videos, field narratives, animated explainers, and social media reels communicate the real-world difference made by Annapurna Finance's services.
- **Interactive Activations:** Events such as product launches, celebrations, and community initiatives are transformed into brand experiences.
- **Tech-Driven Creativity:** Digital content is produced using industry-standard tools to ensure professional visual storytelling across platforms.

BEYOND BRANDING: A COMMITMENT TO SUSTAINABILITY AND SOCIAL GOOD

Branding at Annapurna Finance is a medium to advocate for deeper social causes. The organization integrates themes of sustainability, financial inclusion, and environmental responsibility into every campaign, reinforcing its social relevance and impact.

- **Purposeful Campaigns:** Initiatives focused on menstrual hygiene, renewable energy, and financial access amplify the organization's commitment to societal betterment.
- **Employees as Brand Advocates:** Through internal celebrations, personalized tokens, and engagement campaigns, employees are positioned as key contributors to brand equity.
- **Localized Voice:** The use of regional languages and culturally rooted themes ensures effective communication with grassroots audiences, enhancing relevance and reach.

MILESTONES & ACHIEVEMENTS: CELEBRATING GROWTH THROUGH CREATIVITY

Over the past year, Annapurna Finance has successfully promoted flagship products such as Group Loan, Just in Time Loan, Rooftop Solar Loan, and its fintech offerings through high-impact campaigns. A major achievement was the launch of Annapurna Pay, the organization's digital application enabling clients to seamlessly repay

loans, pay utility bills, apply for loans, and access other financial services—greatly enhancing convenience and reach.

Key events like Foundation Day, All Partners' Meet, and internal review sessions were transformed into vibrant experiences through effective storytelling and design. Campaigns that emphasized diversity, sustainability, and innovation received widespread appreciation across internal and external stakeholders.

FUTURE-READY BRANDING: BUILDING A LEGACY WITH INNOVATION

Annapurna Finance is shaping the future of its identity through creative storytelling, consistent communication, and collaborative execution. The organization continues to focus on unified messaging and shared brand stewardship across functions. This integrated approach not only strengthens the brand's presence but also reinforces its position as a trusted financial partner and a symbol of inclusive and sustainable growth.



TECH-ENABLED PROGRESS

EMPOWERING VERTICALS THROUGH SEAMLESS DIGITAL TRANSFORMATION

Annapurna Finance made significant advancements in digital transformation, aligning its technology initiatives with goals of operational efficiency, compliance, and customer-centric innovation. Key achievements included full digitization of loan documentation, implementation of Two-Factor Authentication (2FA), and risk-based access control to strengthen system security. System integrations across HRMS, Accounts, and BBPS improved data accuracy, reduced manual workload, and streamlined operations. Accessibility was enhanced through vernacular Key Fact Sheets (KFS) and UPI 123PAY for feature phone users, promoting financial inclusion. Upgrades to AML systems and the introduction of the Customer Fund Settlement System (CFSS) also supported flexible repayments and improved compliance. Looking ahead, the launch of LOS Version II and Aadhaar-based eKYC are key focus areas to further strengthen digital infrastructure.

DIGITAL TRANSFORMATION INITIATIVES AT THE ORGANIZATION

Complete Loan Document Digitization Across All Products

In first quarter of 2024, Annapurna Finance achieved full digitization of loan documentation across all MFI branches. E-Sign facilities were extended to all individual loan products, marking a complete shift to paperless agreements and ensuring faster, more secure processing.

Risk Mitigation Through Two-Factor Authentication and Risk-Based Access Control

To strengthen application and data security, Annapurna Finance implemented Two-Factor Authentication (2FA) in January 2025 for all field users accessing the Loan Origination System (LOS) through web and mobile platforms. The system now requires users to verify their identity using a One-Time Password (OTP) sent to their registered mobile number. Additionally, a risk-based access framework was introduced within the LOS, categorizing branches by risk levels—High, Medium, or Low. System permissions are tailored accordingly, with more stringent access controls applied to higher-risk zones, down to customer, pin code, and village levels. This multi-tiered strategy significantly enhances data protection, ensures role-based access, and supports regulatory compliance across digital platforms.

HRMS Integration with Jayam LOS

During Q2 of 2025, Annapurna Finance successfully integrated its HRMS (HR One) with the Jayam

Loan Origination System (LOS), enabling real-time synchronization of employee information between platforms. This automation ensures that all employee records, including role updates, transfers, and access rights, are consistently aligned across systems. By eliminating manual entry and reducing administrative errors, the integration has strengthened operational efficiency. It also allows seamless user access management and ensures timely updates to critical staff data used in field operations and reporting.

Accounts Module Integration with LMS

Enhancements to the Accounts Module have enabled seamless integration between the Loan Management System (LMS) and the organization's Web-based accounting platform. Now, all loan-related transactions—such as disbursements and repayments—are automatically reflected in the account's ledger in real time. This eliminates the need for manual reconciliation, reduces operational overhead, and improves financial accuracy. The system now supports faster and more reliable accounting processes, allowing finance teams to focus on analysis and compliance rather than routine data entry.

Key Fact Sheet (KFS) Implementation

To strengthen customer transparency, Annapurna Finance integrated the Key Fact Sheet (KFS) into the LOS in October 2024. This standard document presents clear and concise loan terms—including repayment schedule, interest rate, and customer obligations. KFS was introduced in regional languages such as Hindi and Odia, ensuring better comprehension for customers across diverse linguistic backgrounds. Over time, more regional languages will be added, aligning with the organization's commitment to inclusive communication. This initiative has helped build trust with customers, enhance informed borrowing, and promote responsible financial behavior.

AML Web Module Upgrade

In response to evolving regulatory expectations, Annapurna Finance upgraded its Anti-Money Laundering (AML) system in October 2024. The system now allows branches to conduct re-verification of customer details based on predefined risk scores. Manual Re-KYC can be triggered as needed, supporting real-time updates and dynamic compliance. These changes have improved the ability to identify, assess, and mitigate risks associated with financial crimes, while also enhancing the integrity of customer data. The upgrade ensures better control and proactive monitoring aligned with national regulatory frameworks.

UPI 123PAY: Inclusive Digital Payments

Annapurna Finance launched UPI 123PAY in October 2024 to expand digital payment access to customers without smartphones. Using simple IVR and missed-call functionalities, feature phone users can now complete transactions without internet access. This technology has been particularly impactful in rural and remote areas where smartphone penetration is low. UPI 123PAY ensures safe, real-time payment processing, allowing greater financial participation among underserved communities. The initiative supports the organization's inclusive finance mission while contributing to a shift toward a cashless, connected economy.

Core Financial Services Solution (CFSS) Implementation

The Core Financial Services Solution (CFSS) was introduced to offer customers the flexibility of repaying their loans at any Annapurna Finance branch, regardless of the originating location. This system upgrade allows centralized tracking of payments and ensures consistent service across all touchpoints. The implementation simplifies repayment, reduces wait times, and increases convenience, especially for borrowers who relocate or travel frequently. It supports Annapurna's goal of offering a more integrated and customer-friendly service model.

Multi-BBPS Bank Integration

To optimize repayment efficiency, Annapurna Finance implemented Multi-BBPS Bank Integration, allowing the organization to switch between different BBPS banking partners based on performance. This helps reduce transaction costs, enhance uptime, and ensure more reliable payment processing. The integration supports seamless loan repayment experiences for customers, even during peak hours or system downtimes. It also strengthens backend system resilience and supports uninterrupted digital transaction flows.

SMS Collection Triggers for Transaction Notifications

Annapurna Finance has introduced real-time SMS alerts for all recovery-related transactions. These messages are sent to the customer's registered mobile number, offering instant confirmation of payments. The initiative improves financial literacy, promotes responsible repayment behavior, and builds trust by ensuring full transparency in transaction communications. It also helps reduce disputes and strengthens engagement between the organization and its clients by keeping them informed and empowered.

UPCOMING DEVELOPMENTAL ACTIVITIES

eKYC Integration via Setu

The company is finalizing vendor onboarding for Aadhaar-based eKYC, which will enable secure and paperless customer verification during loan onboarding.

LEVERAGING TECHNOLOGY FOR SEAMLESS CUSTOMER EXPERIENCES AND OPERATIONAL EFFICIENCY

Annapurna Finance is actively transforming business processes through strategic digital initiatives that foster automation, enhance customer experience, and enable cross-functional innovation. A key milestone in this journey is the growth of Annapurna Pay. Originally introduced as a digital loan repayment tool, Annapurna Pay has evolved into a versatile financial platform with integrated UPI and BBPS support. It now addresses a wider range of customer needs, reduces reliance on physical channels, and strengthens digital engagement. In the first quarter of FY 2025, the platform accounted for 26% of total digital loan repayments, reflecting its growing acceptance and a notable shift in repayment behavior. With continuous enhancements, Annapurna Pay is contributing meaningfully to financial inclusion and empowering customers with more accessible and secure digital services.

Customer Engagement Platform (CEP)

Annapurna Finance launched a unified communication platform to improve customer and employee engagement across SMS, WhatsApp, IVR, and RCS. With multilingual support and automated workflows, CEP ensures efficient communication even in vernacular dialects. A WhatsApp chatbot enhances self-service options, allowing customers to access loan information easily and reducing turnaround times.

Customer Relationship Management (CRM)

The CRM platform strengthens lead management and customer service by integrating with core systems like LOS and LMS. It includes SLA-based ticket resolution, 360-degree customer views, and structured workflows. A social media management tool and lead-routing automation further enhance responsiveness and digital outreach. These upgrades ensure seamless, customized service and efficient complaint resolution.

Account Aggregator Integration

The Account Aggregator (AA) tool enables real-time, consent-based access to customer financial data. It automates verification, minimizes forgery, and accelerates onboarding while ensuring a secure and transparent process. This tool supports a smooth customer experience and efficient credit decision-making.

INSIDE THE TECH SHACK

EMPOWERING OUR VERTICALS THROUGH SEAMLESS DIGITAL TRANSFORMATION

Annapurna Finance is laying the groundwork for a digitally empowered financial ecosystem designed to expand opportunities for underserved communities. A major step in this journey is the integration with the Open Network for Digital Commerce (ONDC)—a government-backed initiative that allows customers to access a nationwide marketplace. This platform enables users to buy and sell a wide range of goods and services, from agricultural products and handmade items to daily essentials and local services. For customers in rural and remote regions, this opens doors to new economic linkages, entrepreneurial opportunities, and digital commerce at scale.

To further support financial well-being, Annapurna Finance is also addressing long-standing challenges in accessing government welfare schemes such as PMAY, PM-Kisan, Ujjwala Yojana, and E-Shram. Many eligible individuals struggle with complex documentation and lengthy application processes. By integrating these services into Annapurna Pay, the organization offers a simplified digital interface that helps users check eligibility, apply online, and track progress—reducing dependence on intermediaries and physical visits.

Looking ahead, Annapurna Finance aims to deepen the platform’s role by introducing tools for micro-insurance, savings, and emergency preparedness. These additions are expected to enhance household financial resilience and reduce vulnerability to unexpected shocks.

The organization also envisions Annapurna Pay as a livelihood enabler. Plans are underway to build digital features that support income-generating activities across rural and semi-urban areas. This includes access to productivity tools, market linkages, and relevant business information—strengthening the earning potential of micro-entrepreneurs and informal workers.

By embedding such diverse services into a trusted and familiar platform, Annapurna Finance is not just driving financial inclusion—it is nurturing a comprehensive digital environment that promotes livelihood security, economic mobility, and social empowerment.

SMARTER COMMUNICATION WITH AI-DRIVEN VOICE BOT

Annapurna Finance is enhancing customer interactions through a voice bot powered by Natural Language Processing (NLP). Initially built on keyword recognition, the solution is now evolving into an intent-based model backed by Generative AI, allowing it to better understand

the intent behind user queries and respond more accurately. This upgrade supports real-time analytics, sentiment analysis, and multilingual conversations—including regional dialects—to ensure natural, human-like communication. These advancements aim to simplify service access, strengthen engagement, and improve the overall experience for customers.

STRENGTHENING CREDIT ACCESS WITH THE ECONOMIC INDICATOR TOOL

To extend credit to individuals with little or no formal credit history, Annapurna Finance has introduced an Economic Indicator Tool. This alternative credit scoring model assesses the financial behavior of underserved customers, enabling responsible lending while opening new business opportunities. By leveraging data insights, the tool ensures accurate credit evaluation and encourages financial inclusion for the “missing middle”—those who fall between the informal economy and formal credit systems.

STRENGTHENING DIGITAL INFRASTRUCTURE FOR SECURITY AND GOVERNANCE

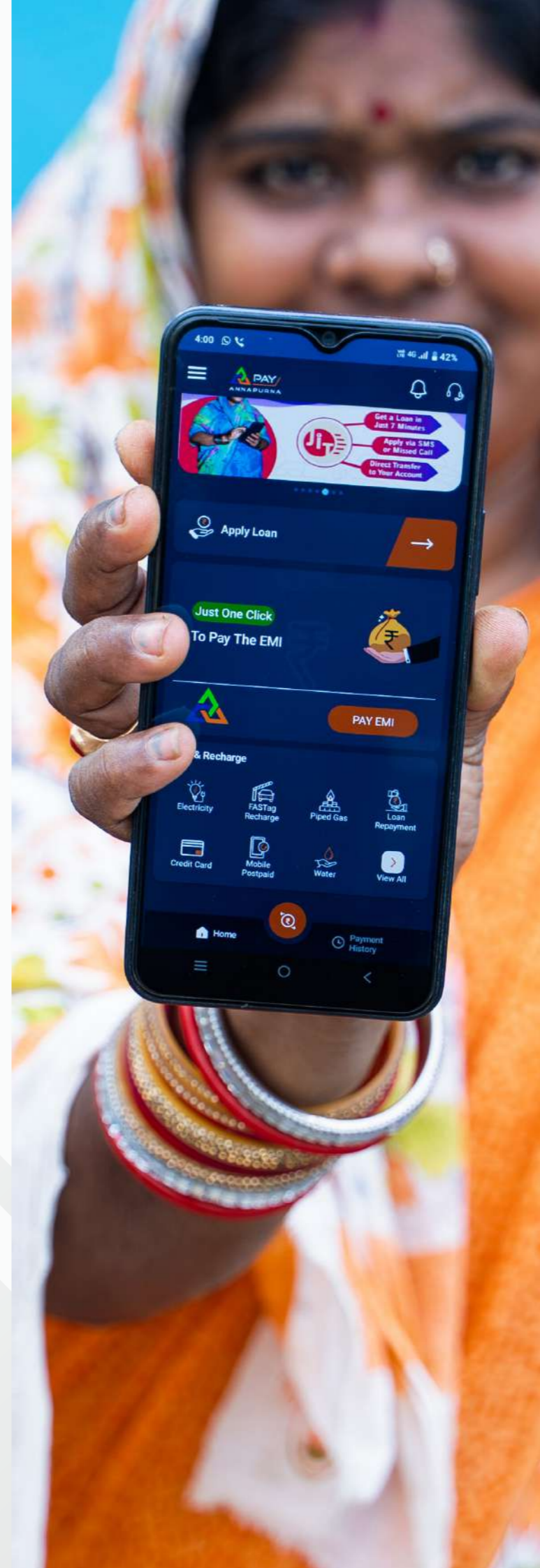
A secure and well-managed digital environment is essential for customer trust and operational efficiency. Annapurna Finance has implemented Active Directory (AD) to centralize identity and access management across its network, simplifying user authentication and enforcing consistent policy controls.

To further enhance cybersecurity readiness, the Security Information and Event Management (SIEM) system was deployed. SIEM aggregates and analyzes logs from multiple sources to identify potential threats, track unusual activity, and enable rapid incident response—ensuring compliance and maintaining robust digital safeguards.

EMPOWERING MSMEs THROUGH END-TO-END DIGITAL TRANSFORMATION

Annapurna Finance is driving digital transformation across its MSME lending operations by implementing a suite of integrated tools and automation workflows. Key features include:

1. Digital Documentation
 - Auto-generated loan agreements, sanction letters, and Key Fact Sheets (KFS).
 - Compliance with eSign and eStamp standards.
 - Real-time document availability for audits and verification.



2. Digital Collections

- Seamless repayment through UPI, BBPS, NACH, and Annapurna Pay.
- QR-enabled field collections with instant notifications to borrowers.

3. Risk & Compliance Controls

- Real-time credit bureau checks via CIBIL and Highmark.
- Fraud analytics through Sherlock.
- AML monitoring and audit trails with Role-Based Access Control (RBAC).
- Alignment with RBI and internal compliance standards.

4. Real-Time Monitoring and Insights

- Live dashboards for tracking disbursements, loan performance, and risk metrics.
- Enables timely, data-backed decision-making across all levels.

5. Digital Onboarding

- Customer onboarding through Android apps by field teams.
- Instant KYC verification using PAN, Voter ID, and mobile OTP.
- Real-time credit score checks for eligibility assessment.

6. Workflow Automation

- Streamlined operations from lead creation to loan servicing.
- Product-specific workflows tailored for EV loans, working capital, and unsecured credit.
- Built-in alerts, validations, and auto-escalation mechanisms.

Annapurna Finance’s digital strategy is rooted in customer empowerment, operational transparency, and inclusive growth. From voice bots to micro-credit tools, from ONDC integration to MSME digitization, each initiative reflects a clear commitment: to make financial services simpler, smarter, and more accessible for every customer, everywhere.

ESG INTEGRATION FOR SUSTAINABLE GROWTH AND ENVIRONMENTAL COMMITMENT

DRIVING RESPONSIBLE GROWTH THROUGH ESG EXCELLENCE

Creating a Responsible Financial Institution through Focus on People, Planet, and Profit

"Annapurna Finance has developed a comprehensive ESG (Environmental, Social, and Governance) strategy aimed at delivering financial products and services in the most sustainable manner. The long-term focus is on expanding green products to meet evolving customer needs and align with the organization's net-zero target. On the social front, the organization prioritizes deep community engagement through data-driven product and program design, especially for vulnerable segments. Additionally, it maintains industry-leading employee welfare standards. Governance is strengthened through robust corporate oversight and the integration of social and environmental risks in strategic decision-making."

INDEPENDENT RATINGS AND CERTIFICATIONS

Social Rating (by MicroFinanza Rating): A+

Client Protection Certificate (by MicroFinanza Rating): Gold Standard

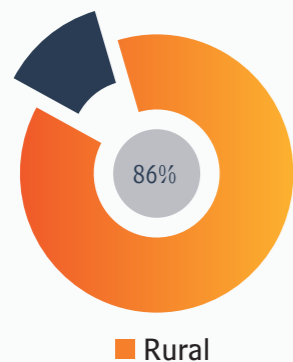
SDG Rating (by AFISAR): A

60 dB Microfinance Index: Among Top 3 Financial Institutions globally in driving sustainable growth

Number of Need-linked Products beyond Group Loan: 6

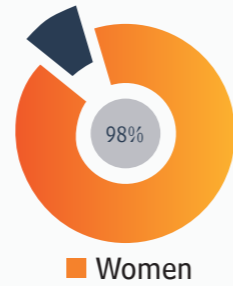
OUTREACH TO RURAL AND UNDERSERVED AREAS:

India's rural population constitutes approximately 65% of the total population, where formal financial access remains limited. Annapurna Finance operates in 21 states, serving over 2.9 million clients. Notably, 86% of these clients are from rural areas, significantly above the industry average of 74% (Sa-Dhan, 2023). This reinforces the organization's commitment to deepening financial inclusion in remote regions.



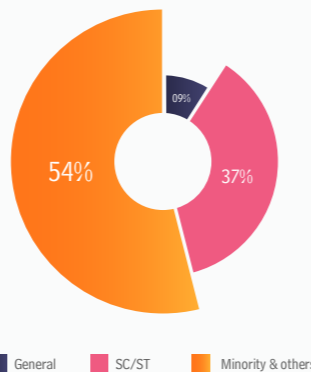
Gender Inclusion:

Women in rural India often face restricted mobility and social barriers in accessing financial services. Annapurna Finance addresses this challenge by prioritizing financial empowerment for women. Currently, 98% of the organization's customer base comprises women, reflecting a strong commitment to fostering gender-inclusive growth and economic independence.



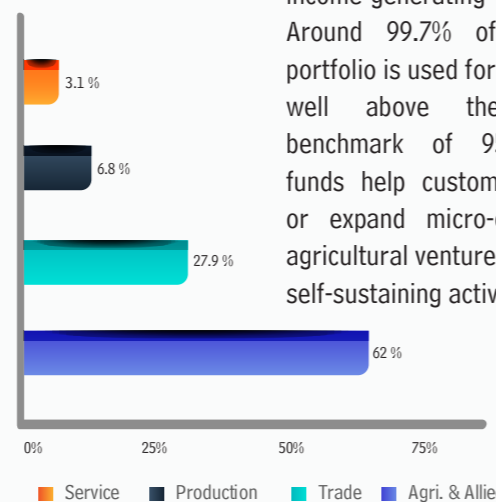
Support for Vulnerable Communities:

Approximately 91% of Annapurna Finance's customers belong to economically and socially disadvantaged groups, compared to an industry standard of 31%. The organization tailors its financial solutions to meet the unique needs of these communities, promoting integration into the formal financial system and supporting socio-economic advancement.



Livelihood Support:

LOAN PURPOSE



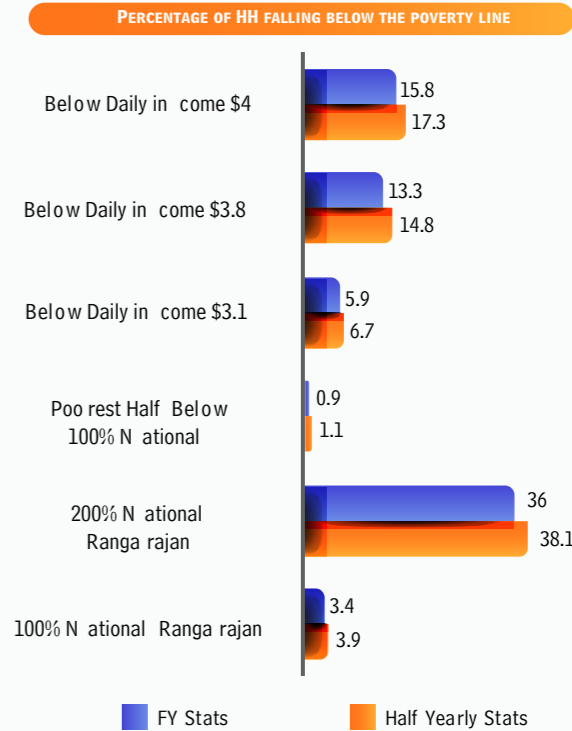
Annapurna Finance's credit offerings predominantly support income-generating activities. Around 99.7% of the loan portfolio is used for livelihoods—well above the industry benchmark of 95%. These funds help customers initiate or expand micro-enterprises, agricultural ventures, and other self-sustaining activities.

POVERTY ASSESSMENT USING THE POVERTY PROBABILITY INDEX (PPI):

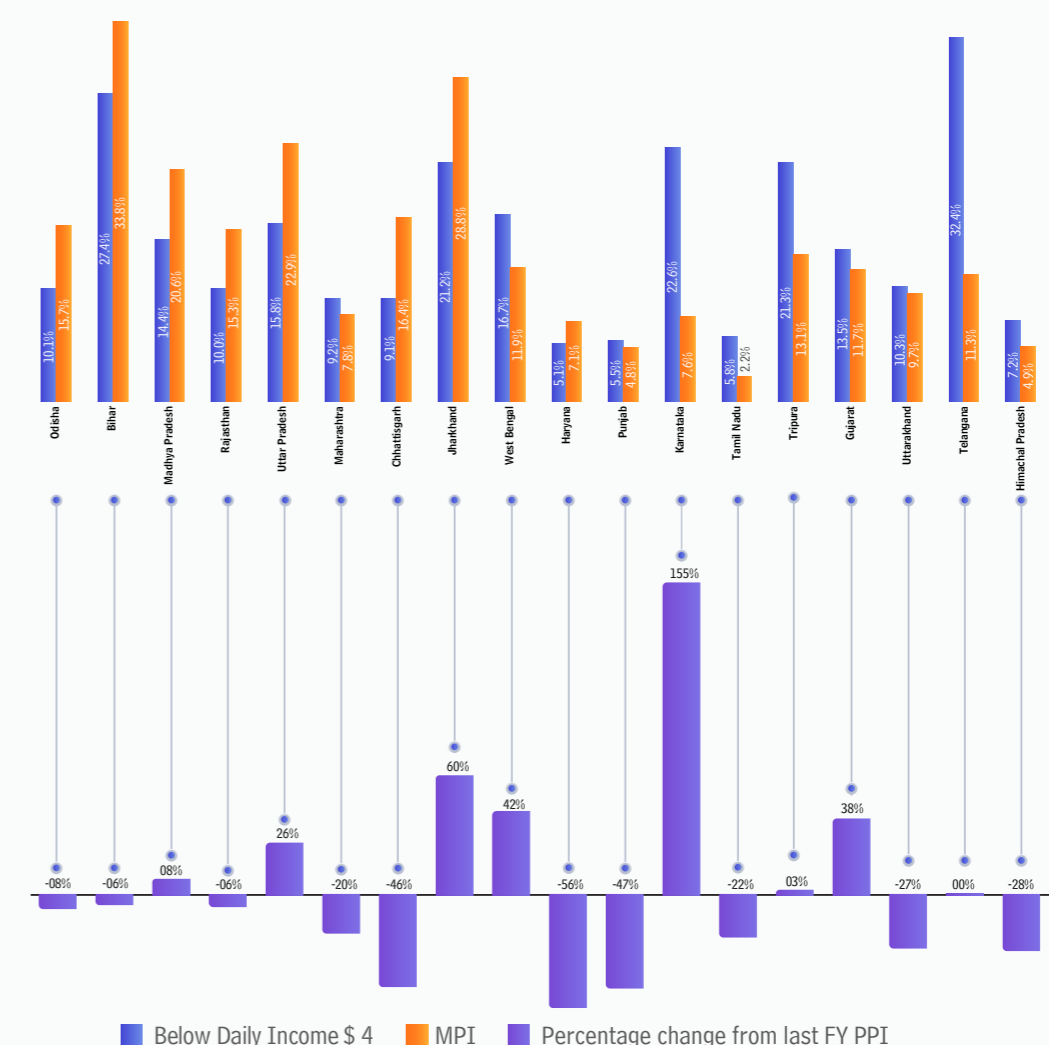
To better understand client realities, Annapurna uses the globally recognized Poverty Probability Index, which accounts for multiple household indicators. In FY 2024-25, over 6.5 lakh clients across 18 states were surveyed. The findings show that 15.8% of Annapurna's clients live below a daily household income of USD 4, equivalent to an annual income of ₹1,24,708.73.

Insights from Comparative Poverty Analysis:

A comparison with NITI Aayog's Multidimensional Poverty Index (MPI) indicates higher poverty concentration in states such as West Bengal, Telangana, Tripura, and Gujarat. Conversely, in Jharkhand, Bihar, Chhattisgarh, and Uttar Pradesh, the PPI suggests access to relatively stable households. Larger families and clients with only primary education tend to face higher poverty, guiding Annapurna's targeted financial inclusion efforts.



STATE WISE COMPARISON WITH MULTIDIMENSIONAL POVERTY % BY NITI AAYOG



Further analysis shows that larger households and clients with only primary education face higher poverty levels, highlighting the role of education and family size in economic resilience. Annapurna Finance leverages these insights to design targeted, impactful financial solutions for the most vulnerable.

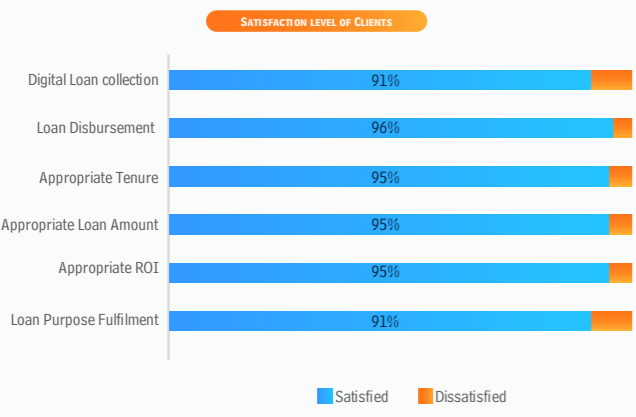
CUSTOMER FEEDBACK MECHANISMS

Annapurna Finance places strong emphasis on customer centricity and considers client feedback essential to improving the quality of its products and services. With consistent support from its field staff, the organization systematically conducts customer satisfaction surveys to capture insights and perspectives. This structured and proactive approach enables Annapurna Finance to continuously refine its offerings and remain aligned with evolving customer needs and expectations.

In the financial year 2024-25, the organization reached out to 9,021 clients across 18 operational states. The survey was designed to assess customer perceptions, covering areas such as product relevance, service quality, staff conduct, and the overall impact of the client's association with Annapurna Finance.

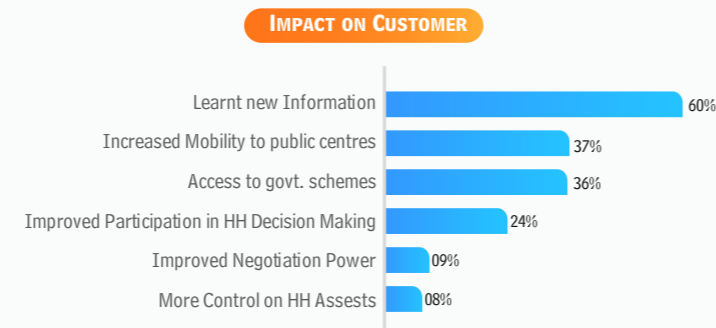
Findings from the Customer Feedback Analysis:

- Loan Satisfaction:** 91% of respondents confirmed the loan amount met their needs, reflecting an 8% improvement from the previous year.
- Overall Satisfaction:** Over 94% satisfaction rate was recorded, with high ratings for product features, staff behavior, and digital services. 91% of customers expressed satisfaction with digital loan recovery.
- Product Awareness:** While 16% of clients are aware of multiple products, 21% know at least two, with SWASTH and Business Loans being the most recognized.
- Financial Awareness:** 92% of customers know that delays incur extra charges; 95% are aware of credit score implications.
- Grievance Redressal:** 83% of customers were aware of the grievance mechanism.
- Net Promoter Score (NPS):** Stands at 70%, indicating strong customer loyalty.



Impact of Financial Inclusion:

- Financial access has positively influenced the lives of clients:
- 60% gained financial, health, and government scheme awareness.
 - 37% experienced increased mobility to banks and public services.



Socio-Economic Impact Assessment (SEIA)

To evaluate progress against its social goals, Annapurna Finance conducts an annual Socio-Economic Impact Assessment (SEIA) in partnership with external institution. This independent study provides objective insights into the organization's impact and areas for improvement.

SEIA is a quasi-experimental research design that assesses both qualitative and quantitative indicators across three key dimensions: economic outcomes, social empowerment (including access to basic amenities, mobility, and decision-making), and financial & digital awareness.

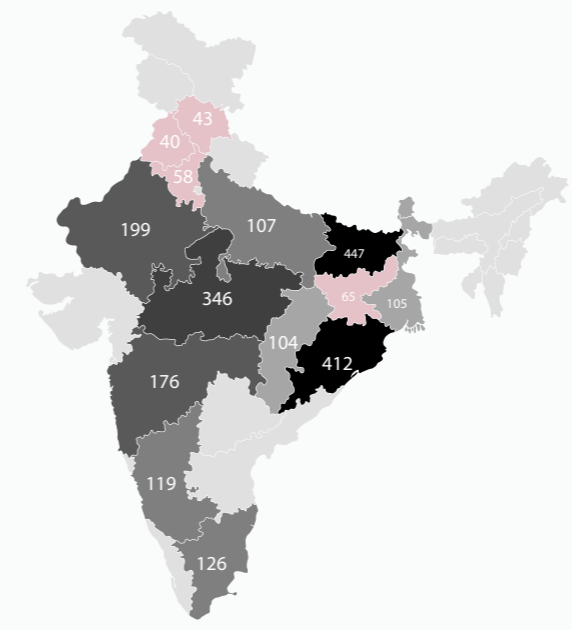
Impact on MFI Customers

For the financial year 2024-25, Annapurna Finance conducted a comparative analysis to evaluate the impact of its services on microfinance (MFI) clients. The study included two groups: an experimental group consisting of 1,272 clients associated with Annapurna Finance for over two years, and a control group of 1,138 first-cycle clients. Both groups were selected from similar demographic profiles to ensure a fair comparison and minimize the effect of external factors on the findings.

Demographic Representation

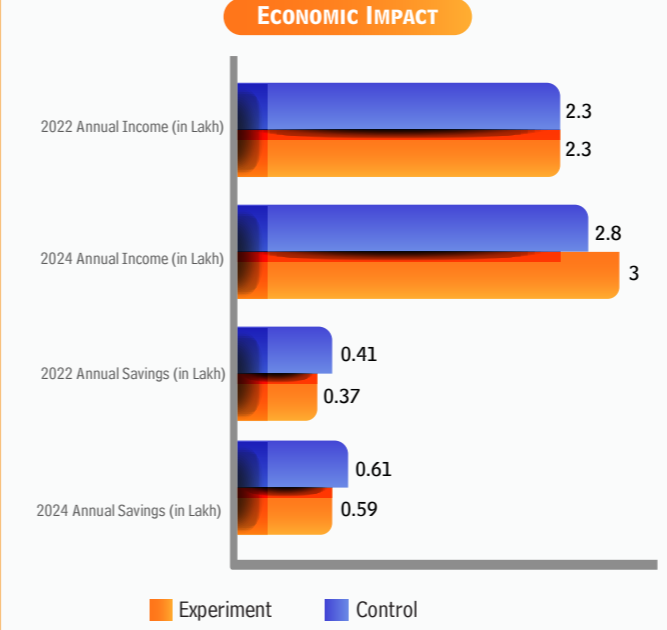
A total of 2,410 samples were collected from 14 states, with 1,272 responses from the experimental group and 1,138 from the control group. This distribution ensured comparability across essential demographic variables. The average household size of respondents was 4.5 members, with 1.5 children per family. In terms of education, 47% of respondents had studied only up to primary level, 25% were illiterate, 24% had completed education up to the 10th grade, 5% up to the 12th grade, and only 1% were graduates.

Regarding livelihood, a majority of respondents were engaged in agriculture and allied sectors-56% in the experimental group and 47% in the control group. Other occupations included wage labor (23% experimental, 31% control), and service or trading activities (17% experimental, 18% control). Representation from the manufacturing and handloom sectors was minimal, between 1-3%.



Economic Impact

Between 2022 and 2024, the average income of clients in the experimental group increased by 26%, while the control group saw a 23% rise. Similarly, the experimental group recorded a 56.6% growth in savings, compared to 48.8% in the control group. Odisha reported the highest savings growth among the states surveyed.



The experimental group also experienced a 4% higher increase in total household expenditure and a 10%

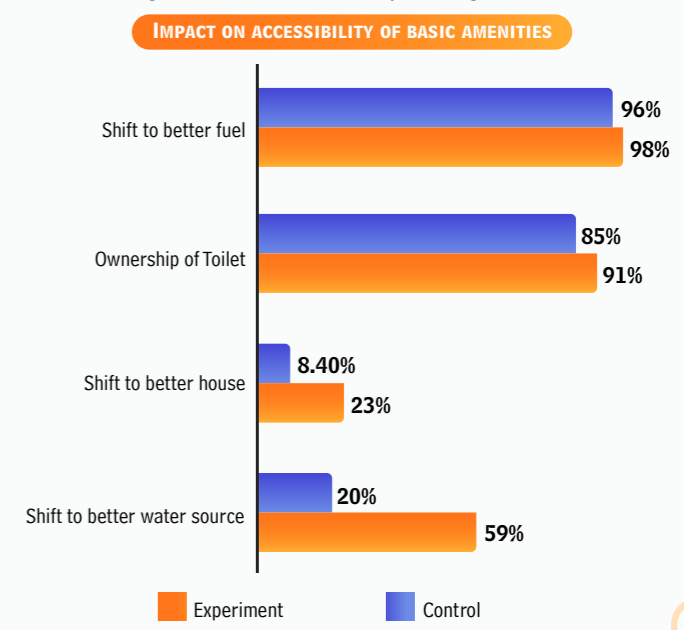
higher increase in medical expenses compared to the control group. Asset creation improved notably, with 57% of experimental group respondents purchasing livestock in the past two years, as opposed to 43% in the control group.

Furthermore, Annapurna Finance's clients were found to be 32% less multidimensionally deprived than the rural Indian average. The Multidimensional Poverty Index (MPI) for Annapurna clients stood at 0.058, compared to the rural national average of 0.086-particularly reflecting better outcomes in standard of living indicators.

Social Impact

The experimental group demonstrated improved access to essential amenities. Individual water sources were significantly more common in this group, with 59% having access compared to 20% in the control group. Toilet access was also higher, with 91% of respondents from the experimental group reporting access, compared to 85% in the control group. Housing quality showed a marginal improvement, as 63% of respondents in the experimental group lived in pucca homes, and a higher percentage transitioned from kaccha to pucca houses (23% vs 8.4%). Clean fuel usage remained high across both groups, with a slight edge for the experimental group (98% vs 96%).

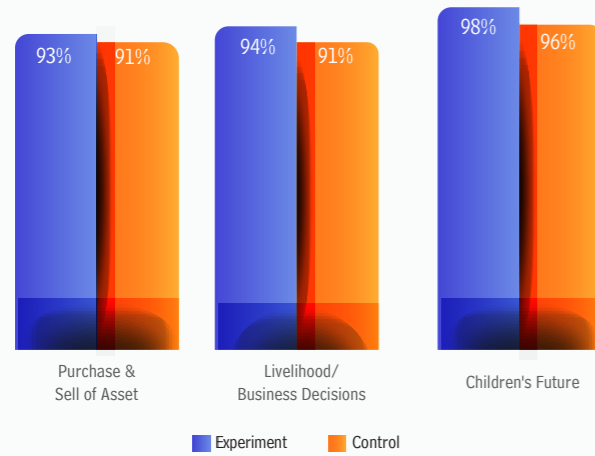
Women from the experimental group exhibited greater confidence in mobility, especially in accessing healthcare, workplaces, shopping venues, and educational institutions-recording an average 10 percentage point advantage over the control group. Decision-making capabilities were strong in both groups, with a slight advantage for the experimental group, particularly concerning livelihood and future planning.



Financial and Digital Awareness

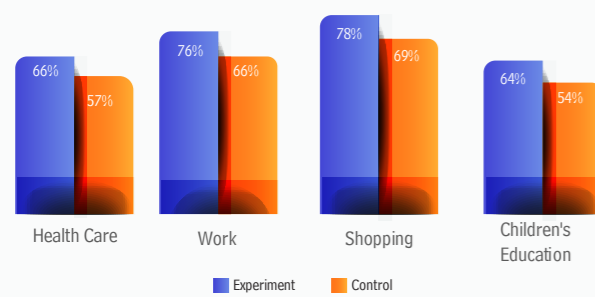
Financial literacy training reached 31% of respondents, 93% of whom were from the experimental group. Most respondents reported saving with formal institutions, though a slightly higher reliance on moneylenders was noted among the control group.

PARTICIPATION IN DECISION MAKING



Digital access was notably better in the experimental group. Mobile phone ownership was higher (68% vs 61%), as was smartphone usage (47% vs 38%), internet use (31% vs 22%), and digital repayment among internet users (54% vs 45%). Additionally, 58% of users interested in digital credit were from the experimental group.

MOBILITY



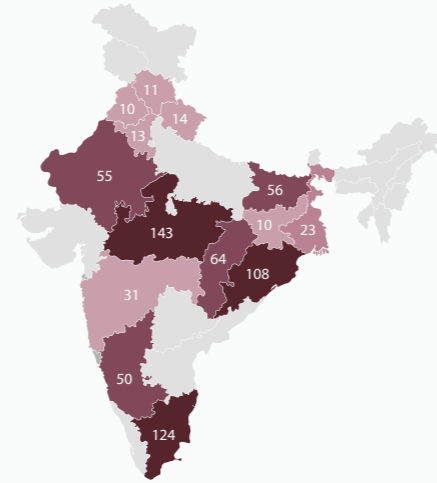
Impact on MSME Customers

The survey covered 701 MSME customers, with 64% holding unsecured loans. After associating with Annapurna Finance, these customers reported a 19.5% increase in annual turnover. Women-led enterprises, in particular, recorded a 38.6% increase.

Key business indicators showed notable improvements: average monthly purchases rose from ₹3.3 lakh to ₹4.2 lakh, sales increased from ₹4.1 lakh to ₹4.9 lakh, and profits grew from ₹0.9 lakh to ₹1.1 lakh. The retail and service sectors recorded the highest profit growth of 25%.

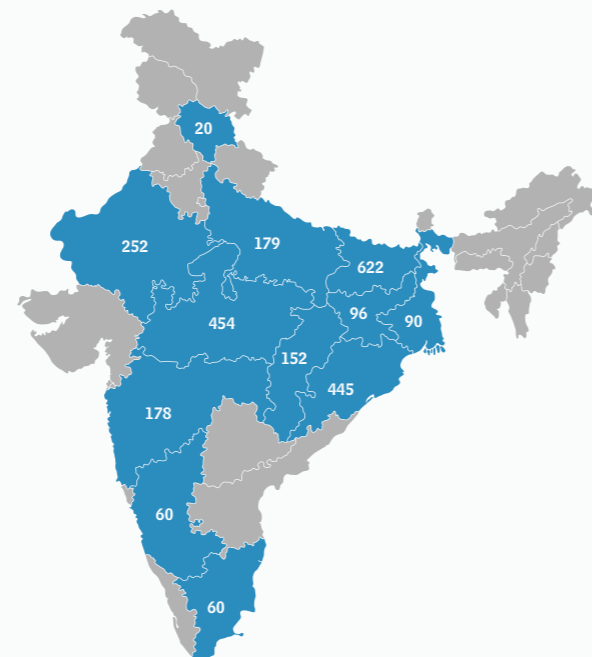
Digitally, 94.1% of MSME clients used UPI for transactions and 77.3% shopped online. There was a 34% increase in female employment, along with a 5% rise in salaries. Additionally, 70% of clients adopted competitive business strategies, and 63% reported an enhanced social reputation.

Despite these gains, challenges remain. About 67% of businesses lacked solutions for power outages, and only 4% reported increased use of logistics services like pick-up trucks.



CUSTOMER SATISFACTION SURVEY

Annapurna Finance conducted a comprehensive customer satisfaction survey across 12 states and over 100 branches, covering both MFI and MSME customers. A total of 2,650 customers participated in the survey, comprising 2,236 MFI and 414 MSME clients. The study applied quasi-experimental, qualitative, and quantitative methods, and sampling was done using proportional, stratified, and convenience techniques.

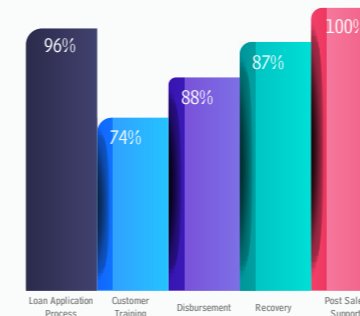


MFI Segment

MFI customers reported an overall satisfaction score of 89% across the loan lifecycle. The highest satisfaction was noted in the loan application (96%) and post-sales support stages (100%), while training received a relatively lower score of 74%. Service quality averaged 89%, with particularly high ratings in tangibility (98%) and empathy (96%).

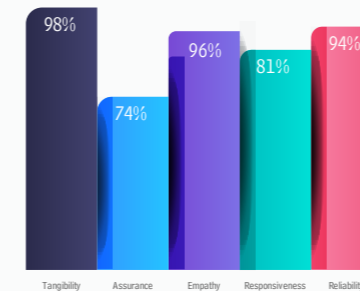
The Net Promoter Score (NPS) was recorded at 75, with the highest scores from Tamil Nadu, Rajasthan, and Uttar Pradesh. Approximately 46% of respondents were exclusive to Annapurna Finance, while 57% used digital repayment methods, of which 11% made self-payments—primarily in Tamil Nadu, Madhya Pradesh, and Odisha.

AVERAGE SATISFACTION SCORE WITH OVERALL PROCESS 89%



Key drivers of satisfaction included understanding of loan terms and conditions, branch accessibility, ease of application, and quick turnaround times. Promoters were the most satisfied, and satisfaction increased by 6% with each subsequent loan cycle.

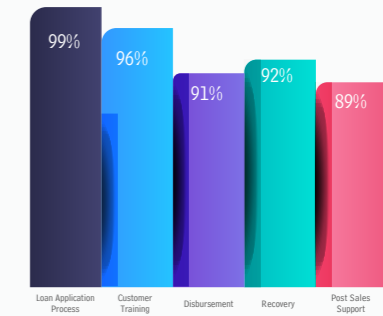
AVERAGE SERVICE QUALITY SCORE 89%



MSME Segment

MSME customers expressed a slightly higher satisfaction level at 93% across the loan process. Scores were highest in the loan application (98%) and onboarding stages (96%). Service quality matched the MFI segment at 89%, although tangibility scored slightly lower at 84%.

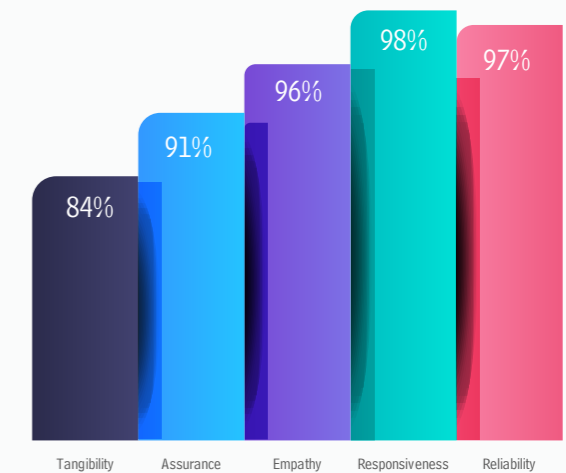
SATISFACTION AGAINST CUSTOMER LOAN CYCLE: 93%



The MSME segment recorded an NPS of 76, with notable promoters in Rajasthan, Karnataka, and Tamil Nadu. A majority (79%) preferred digital repayments, and 86% used their loans for business expansion, particularly in Madhya Pradesh, Bihar, and Tamil Nadu.

Customer satisfaction in the MSME segment is closely linked to demographics and trust in the organization. Combined, customer demographics and loan characteristics accounted for 97% of the variation in satisfaction levels, while trust in data security and staff support explained 98%. Qualitative findings indicated that older customers, women, and those with unsecured loans reported higher satisfaction, emphasizing the importance of personalized service and organizational trust.

OVERALL SERVICE QUALITY SCORE: 89%



CUSTOMER ENGAGEMENT AND AWARENESS CREATION

FINANCIAL & DIGITAL LITERACY TRAINING (FDLT)

Since its launch in 2019, the FDLT program by Annapurna Finance aims to enhance client knowledge in financial planning and digital usage. The training consists of three modules:

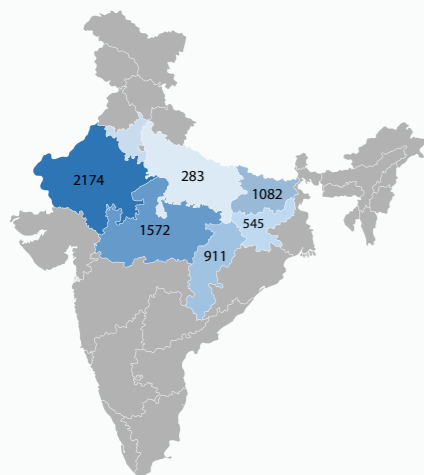
01 MODULE 1
Financial literacy, covering income, savings, expenses, investment, and financial planning

02 MODULE 2
Banking and digital literacy, including online banking, data privacy, and protection from digital fraud

03 MODULE 3
Awareness of government welfare schemes

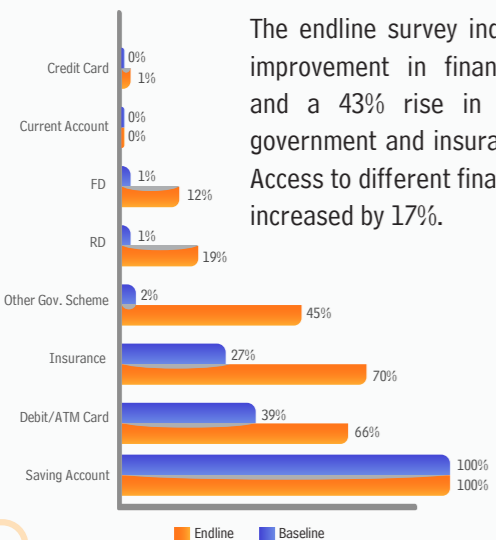
In FY 2025, the program engaged 31,782 participants across six states: Odisha, West Bengal, Uttar Pradesh, Bihar, Chhattisgarh, and Madhya Pradesh.

Footfall in workshop



IMPACT OF FDLT

ACCESS TO FINANCIAL PRODUCT

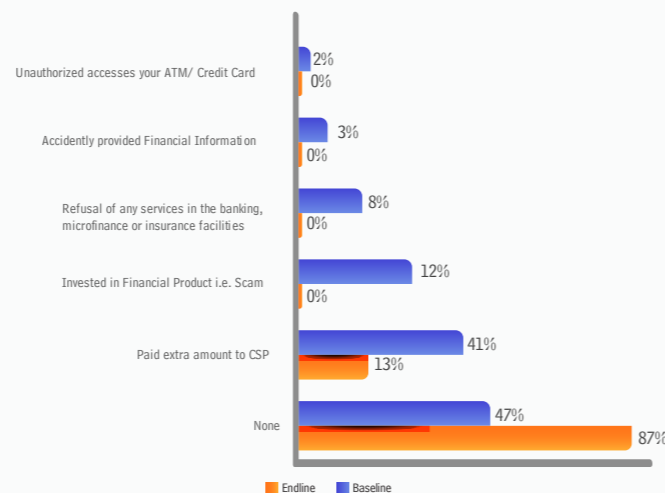


The endline survey indicated a 44% improvement in financial attitudes and a 43% rise in enrolment in government and insurance schemes. Access to different financial products increased by 17%.

Financial Awareness and Security:

A majority of respondents now understand their EMIs and review loan terms before signing. Around 87% reported no incidents of financial fraud in the past year—a 40% improvement. About 13% faced minor issues such as extra charges at customer service points (CSPs).

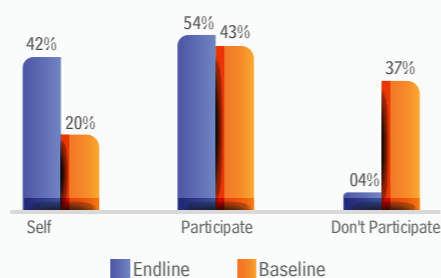
FINANCIAL ISSUES



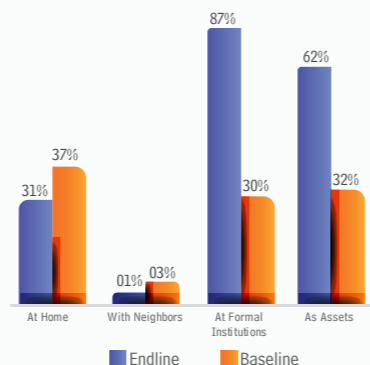
Household Budgeting and Savings

Approximately 96% of respondents now follow household budgeting practices, up from 85%, and all reported saving regularly. Formal saving channel usage increased by 57%. About 87% have a financial plan for future needs, and 98% feel financially secure—an increase of 61%.

HH level budget planning



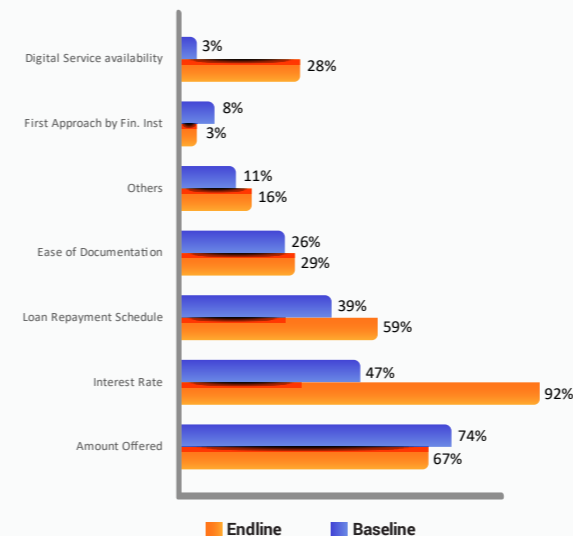
Saving Medium



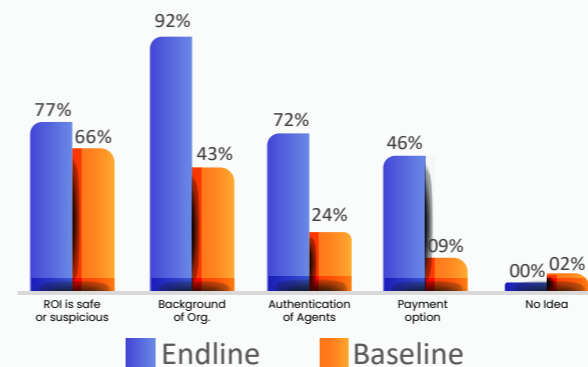
Decision-Making on Financial Products

- Selection Parameters:** 99% of respondents choose financial products based on at least one factor, up by 50%. Key considerations include interest rate (92%), loan amount (67%), and repayment schedule (59%).

Major parameter to choose Financial products



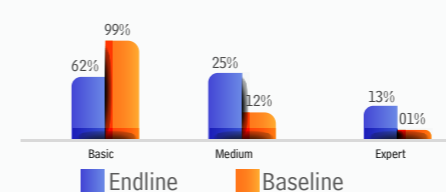
- Verifying Financial Institutions:** Nearly all beneficiaries (99%) evaluate financial institution before enrolling. Key decision factors include background of the organization (92%), ROI (77%), Authentication of agent (72%), and payment options (46%). Notably, attention to organization background rose by 49%. Also, around 43% consider at least four factors before choosing a financial institution.



Digital Readiness

Around 63% of households have smartphones, while 8% lack even a basic phone. Mobile transactions and online shopping rose by 12% and 13%, respectively.

MOBILE USAGE



Case Story: Sampna Patra - From Financial Struggles to Stability

MS. SAMPNA PATRA from Paturiya, West Bengal, struggled to provide basic meals for her children. After taking her first loan in 2022 from Annapurna Finance, lack of financial knowledge limited its impact. In 2024, she attended the FDLT program and gained insights into saving, investment, and government schemes. Empowered, she took a second loan of ₹50,000 to start a poultry business. Now financially stable, she ensures nutritious meals, education for her children, and home repairs.

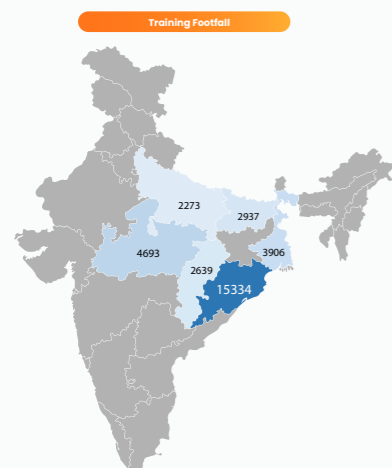


“She shares, "Today, I'm not just a rural woman-I'm a business owner and a mother with hope."”

RBI-DEA

The Reserve Bank of India's Depositor Education and Awareness (DEA) workshops aim to enhance financial literacy, especially among rural populations and low-income groups. These workshops inform participants about the importance of maintaining bank accounts and savings, various government social security schemes, and safe digital banking practices.

In the last financial year, approximately 7,345 individuals attended RBI-DEA workshops conducted by Annapurna Finance across eight states. Annapurna Finance organized 60 of these sessions in collaboration with Sa-Dhan and the remaining 74 in partnership with MFIN.



SOCIALLY IMPACTFUL COMMUNITY DEVELOPMENT INITIATIVES

As a socially responsible lending institution, Annapurna Finance actively extends its commitment to the upliftment of underserved communities through strategic community engagement under its corporate social responsibility (CSR) framework. The CSR initiatives primarily address critical gaps in access to healthcare, livelihood security, women and child development, and gender equality.

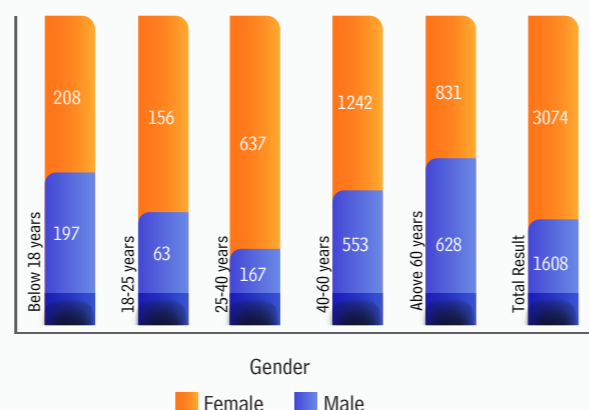
In FY 2024-25, the organization invested ₹ 2,68,52,575 across seven CSR projects, directly benefitting more than 3 lakh individuals. Alongside this wide outreach, Annapurna Finance also contributed meaningfully towards seven major Sustainable Development Goals (SDGs).

MOBILE MEDICAL UNIT (MMU)

Since its inception, Annapurna Finance's Mobile Medical Unit program has extended healthcare services to over 34,000 individuals, including 4,600+ beneficiaries in FY 2024-25. During this period, the MMU covered three gram panchayats, offering free consultations by experienced healthcare professionals, basic medicines, and pathology testing facilities.

Outreach and Inclusivity

The MMU initiative has demonstrated significant impact in gender inclusivity and support for vulnerable groups. In FY 2024-25, 67% of the beneficiaries were women over the age of 40, while 21% were between 25-40 years. The most commonly reported health issues were muscle and joint pain, with a high incidence of gynecological and geriatric concerns among women.



Economic Benefit and Key Insights

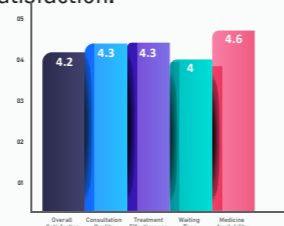
The MMU program has effectively reduced barriers related to distance, cost, and healthcare availability. With beneficiaries residing an average of 21 kilometers from the nearest medical facility, the MMU helped reduce travel burdens and associated expenses.

In FY 2024-25, beneficiaries reported average monthly savings of ₹ 1,998—a 160% increase from the previous year. This improvement is attributed to the inclusion of diagnostic services and a wider range of medicines. Savings on doctor consultations alone increased by ₹ 200.

With an average investment of ₹ 1,170 per beneficiary, the program yielded ₹ 1.6 in economic value for every ₹ 1 spent, through direct cost savings and improved access to healthcare.

Satisfaction Levels

The MMU program consistently recorded satisfaction levels exceeding 80% across treatment quality, consultation, waiting time, and medicine availability. Acknowledged as a trusted healthcare service in rural areas, Annapurna Finance aims to further expand MMU offerings by incorporating specialized healthcare services and increasing regional coverage to enhance impact and satisfaction.

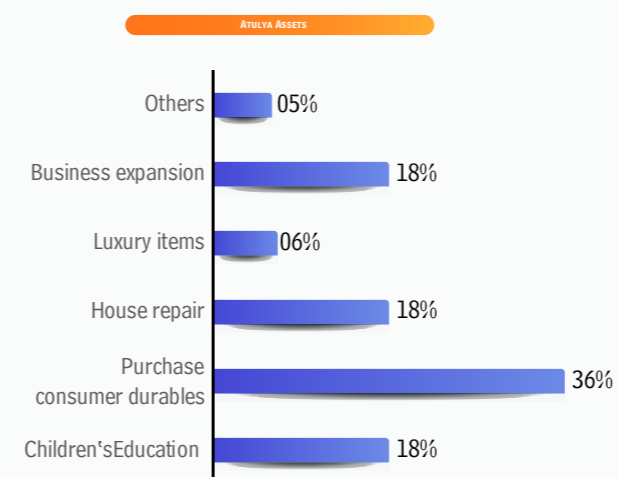


ATULYA KARIGARI

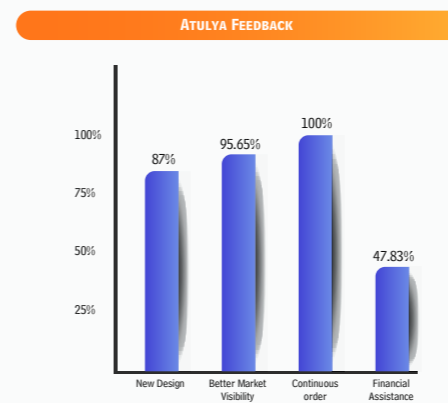
Annapurna Finance continues its support for Atulya Karigari, a cluster-based initiative dedicated to artisan livelihood development and preservation of India's handloom and handicraft traditions. In FY 2024-25, the initiative introduced 315 new products, 80 design innovations, and provided training in eco-friendly packaging, digital marketing, and product design. A key achievement was the establishment of a Tusser Silk cluster in Gopalpur, which expanded access to new crafts.

Economic Impact and Inclusion

The Atulya Karigari program significantly improved artisan income. The average monthly sales per artisan increased by ₹ 80,583, and profit margins rose by 125%. For every ₹ 1 invested, artisans generated ₹ 80 in sales, highlighting a strong return on impact. The increased earnings enabled artisans to invest in necessities, children's education, and expand their businesses.



Additionally, 91% of artisans reported accessing new markets, 87% adopted new designs, and all participants indicated achieving financial independence through the initiative.



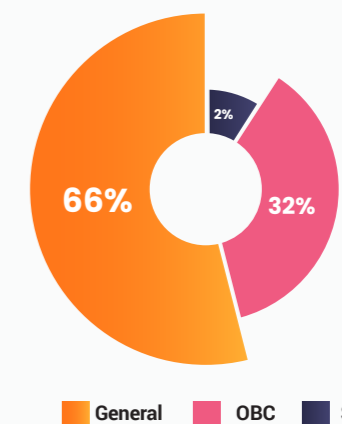
Digital and Customer-Centric Growth

The integration of artisans into the ONDC (Open Network for Digital Commerce) has marked a critical step towards digital inclusion, expanding their market

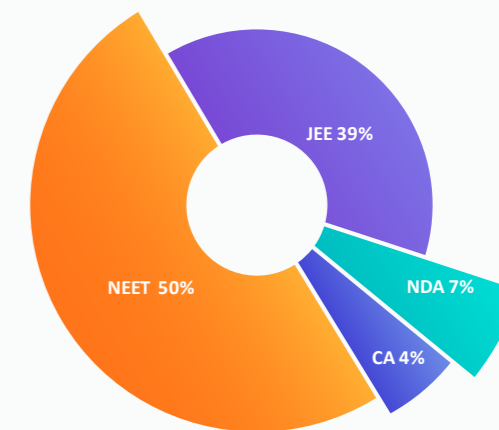
reach. Feedback from participants shows that 100% of artisans are interested in receiving regular orders, 96% seek enhanced product visibility, and 87% express a need for more design innovations. These insights reflect the transformative potential of structured support in driving social and financial inclusion for marginalized artisan communities.

E² – SCHOLARSHIP PROGRAM

In collaboration with People's Forum, Annapurna Finance launched the 'Excel the Excellence (E²)' scholarship program to support students from economically disadvantaged backgrounds in pursuing higher education. The program covers 13 districts in Odisha and benefitted 59 students, 70% of whom belonged to low-income families, with 41% being girls.



The selection criteria emphasized financial need, academic merit, and rural backgrounds, with preference given to children of community workers and students from backward communities (34%). Each student received an average of 125 hours of coaching for competitive exams such as NEET, JEE, NDA, and CA. As a result, students demonstrated an average academic improvement of 16%.



The initiative aims to bridge career opportunity gaps and establish a pathway from education to employment for underserved youth, fostering long-term income stability and socio-economic upliftment.

COMMUNITY HYGIENE

Bio-Toilet Installations:

As part of its commitment to public health and sustainability, Annapurna Finance installed four solar-powered bio-toilet units at strategic public locations in Puri, Odisha—including Puri Sea Beach, Shree Setu, and public parking areas. The initiative is expected to benefit over 3 lakh annual visitors, generate 4.4 metric tonnes of organic manure, and reduce wet waste by 16.4 metric tonnes, promoting a circular sanitation system and easing municipal waste loads.

Cleaning and Hygiene at Tarini Temple

In partnership with People's Forum, Annapurna Finance supports the regular cleaning and maintenance of Tarini Temple. The initiative employs 11 dedicated staff to uphold hygiene standards and ensure a safe and welcoming environment for visitors.

GENDER SENSITIZATION PROGRAM IN COLLABORATION WITH OSAFII

In FY 2024-25, Annapurna Finance, in collaboration with the Odisha State Association of Financial Inclusion Institutions (OSAFII), continued its commitment to promoting women's empowerment through gender sensitization programs. These programs focused on cultivating inclusive work environments in the microfinance sector and fostering women's entrepreneurship in rural Odisha.

The initiative reached seven districts—Khordha, Cuttack, Bolangir, Kalahandi, Dhenkanal, Gajapati, and Kandhamal. During the year, 14 gender mainstreaming sessions were conducted, training 700 participants—94% of them women, and 60% being self-help group members. These sessions focused on building gender awareness, challenging workplace biases, and equipping participants to promote equity within their communities and organizations.

ENVIRONMENTALLY RESPONSIBLE INITIATIVES OF ANNAPURNA FINANCE

ESG Strategy in Operation

Annapurna Finance, in alignment with its Environmental, Social, and Governance (ESG) framework, has committed to achieving carbon neutrality by 2040. As part of this goal, the organization plans to measure its Scope 1, Scope 2, and Scope 3 emissions by the financial year 2027-28. Its environmental strategy also emphasizes the promotion of sustainable finance, with a target of achieving a 5% green finance contribution in its non-MFI (Microfinance Institution) portfolio.

On the social front, Annapurna Finance focuses on employee well-being, workplace diversity, corporate social responsibility initiatives, and enhancing client satisfaction.

Key priorities include strengthening data security, grievance redressal systems, and gender inclusion within the organization.

From a governance perspective, the strategy aims to increase board-level oversight of ESG matters, ensure alignment with regulatory standards in India, and formulate robust internal policies. It also seeks to integrate climate risk into the organization's broader risk management framework. Collectively, these efforts reflect Annapurna Finance's commitment to balanced growth through sustainability, ethical governance, and social responsibility.

Internal Emissions

Annapurna Finance's internal carbon emissions fall primarily under Scope 1 and Scope 2 categories. During the reported period, Scope 1 emissions totaled 41.5 tonnes of CO₂ equivalent (tCO₂e), which resulted from the consumption of 17,529 liters of diesel—91% used by the organization's vehicle fleet and 9% by diesel generators. Scope 2 emissions, generated through the purchase of electricity, amounted to 4,300.76 tCO₂e. This figure is based on a total electricity consumption of 6,348.787 megawatt-hours (MWh), with 95% of the energy used at peripheral offices and 5% at the headquarters.

Green Products

Annapurna Finance is actively involved in promoting environmentally sustainable development by participating in a diversified green finance ecosystem. Its focus areas include clean mobility, renewable energy, eco-friendly livelihoods, energy efficiency, and climate-resilient agriculture. Annapurna's product offerings support these goals through:

- Electric three-wheeler loans, encouraging the transition to clean transportation;
- Rooftop solar financing, aiding households and enterprises in adopting renewable energy;
- Green Box solutions, which consist of solar-powered pumps and refrigerators to enhance rural livelihoods.

By facilitating access to clean technology across mobility, energy, and livelihood sectors, Annapurna Finance aims to reduce environmental impact while enabling inclusive, climate-resilient economic opportunities for underserved communities.

Community Projects with a Green Focus

In addition to its green finance portfolio, Annapurna Finance also leads several community-based initiatives to support India's clean energy transition. These

projects are core part of its CSR efforts and aim to instill environmentally responsible practices at the grassroots level.

In the reporting year, Annapurna Finance expanded its green initiatives by installing 90 solar streetlights across high-traffic public areas in Bhubaneswar and Puri districts. These locations included parks, temples, beaches, police stations, flyovers, and Urban Primary Health Centres (UPHCs). Furthermore, 40 additional solar lights were installed at various locations in Indore, Madhya Pradesh.

These installations collectively generated a measurable positive impact on the environment. The 90 solar lights in Bhubaneswar and Puri are projected to offset approximately 32.32 tonnes of CO₂e annually. The 40 solar lights in Indore are estimated to offset around 14.37 tonnes of CO₂e per year. These results demonstrate Annapurna Finance's continued dedication to promoting sustainable urban development and its proactive role in addressing climate change through scalable and community-focused solutions.

GOVERNANCE IMPLEMENTATION

Annapurna Finance's ESG (Environmental, Social, and Governance) strategy is built on the principle that responsible growth must be aligned with long-term sustainability. The organization has established a structured roadmap that integrates environmental awareness, social responsibility, and strong governance across all areas of its operations.

On the environmental front, Annapurna Finance is actively advancing green finance by offering products such as electric vehicle (EV) loans and rooftop solar loans. The organization aims for these green products to constitute 5% of its non-MFI portfolio by FY 2026-27. Efforts are underway to develop robust systems for tracking greenhouse gas emissions, supported by a commitment to third-party validation to ensure transparency and accountability.

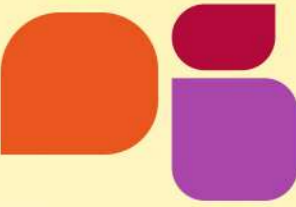
In the social domain, Annapurna Finance prioritizes building an inclusive and supportive workplace that emphasizes employee well-being, gender diversity, data privacy, and proactive customer engagement. This commitment is reflected in initiatives such as the Women Leadership Development Program, gender sensitization workshops, and community-focused CSR interventions.

From a governance perspective, the company continues to enhance regulatory compliance and has introduced board-level oversight of ESG matters.

The adoption of data-driven tools, including Geographic Information Systems (GIS), further strengthens its risk assessment and decision-making capabilities. All ESG efforts are supported by defined performance indicators, structured monitoring systems, and phased budgeting mechanisms.

Through this comprehensive and integrated ESG approach, Annapurna Finance is working to build a resilient, inclusive, and future-ready organization that delivers sustainable value to all stakeholders.





04



REGULATORY & FINANCIAL DISCLOSURES



REGULATORY & FINANCIAL DISCLOSURES

- 1. STATUTORY REPORT**
 - DIRECTORS' REPORT
 - CORPORATE GOVERNANCE REPORT
- 2. FINANCIAL STATEMENTS**
 - AUDITOR'S REPORT
 - FINANCIAL STATEMENT



DIRECTORS' REPORT

DEAR MEMBERS, ANNAPURNA FINANCE PRIVATE LIMITED

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Annapurna Finance Private Limited ("The Company" or "Annapurna Finance") for the Financial Year ending March 31, 2025, outlining the performance and achievements of the Company over the past fiscal year. This report provides a comprehensive overview of the Indian microfinance industry, financial results, operational highlights, strategic initiatives, and our commitment to sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Following the Listing Regulations, the Management Discussion and Analysis report highlighting the details of Industry structure and developments, Opportunities and Threats, product-wise performance, Outlook, Risks and concerns, Internal control systems, and their adequacy, Discussion on financial performance with respect to operational performance, Material developments in Human Resources, including the number of people employed, key financial ratios are detailed below.

INDUSTRY OUTLOOK

The Indian microfinance industry continues to play a vital role in advancing financial inclusion, particularly for low-income households. However, the past year has posed significant challenges for the sector, which primarily serves the bottom of the pyramid with small, livelihood-focused loans. Following a robust 25% growth in FY 2023-24, the sector witnessed a sharp reversal in FY 2024-25, with the overall loan portfolio contracting by 13.5% year-on-year (as per MFIN report). As of March 2025, the total portfolio stood at ₹3.75 lakh crore, with asset quality remaining a persistent concern. Among the regulated entities active in microfinance space, portfolio of all entity types declined, except, NBFCs which has grown by 4.1%. One of the key factors contributing to this deterioration has been borrower overleveraging, often driven by multiple simultaneous lending relationships. In response, the industry—led by Company such as MFIN—has introduced corrective measures, including a cap on the number of lending relationships per borrower, limiting it to four effective from 2024. These efforts aim to improve credit discipline and restore portfolio stability.

At the Global level, the microfinance sector in FY 2024-25 demonstrated robust growth, driven by technological advancements and a commitment to financial inclusion. However, emerging challenges such as credit risk, operational costs, and regulatory pressures also

remain a focus of attention for the lenders. Addressing these issues will be crucial for sustaining the sector's growth trajectory and ensuring its positive impact on underserved populations worldwide.

Against the backdrop of a steady global growth amidst multiple headwinds, the Indian economy remained resilient during 2024-25, supported by robust macroeconomic fundamentals, proactive policy measures and sustained government capital expenditure. Although real gross domestic product growth moderated to 6.5 per cent in 2024-25, India remained the fastest growing major economy. Economic activity was supported by an improvement in consumption demand and net exports on the expenditure side, and the buoyant services sector and recovery in agricultural production on the supply side.

Despite the nationwide contraction in the microfinance portfolio this year, we have achieved significant milestones in customer acquisition, product delivery, and portfolio expansion. We have also maintained healthy asset quality and controlled NPA levels, outperforming many of our peers. Our focused efforts on reducing loan impairments and strengthening repayment monitoring have resulted in increased interest income and a positive profit after tax-at a time when several listed microfinance institutions reported losses. These outcomes reflect the coordinated commitment and execution by our executive team, management, and field staff. With this strong financial foundation, we are well-positioned to broaden our service offerings and reach a wider client base.

OPPORTUNITIES AND THREATS

The operating environment during the fiscal year was characterized by both opportunities and challenges related to the maintenance of asset quality, especially the inherent vulnerabilities of the target market and the nature of the asset class. The impacts, along with the challenges of intense competition and changes in the lending environment due to the Reserve Bank's rationalization of the business model for all microfinance lenders, are significant:

OPPORTUNITIES

Key opportunities for the Company include:

- With a large portion of the population in rural and semi-urban areas still outside the formal financial system, and with the government's continued thrust on inclusive growth, there is significant scope for customer acquisition and deeper market penetration.
- Adoption of digital technologies in credit underwriting, disbursement, and collections can

enhance efficiency, reduce operational costs, and improve customer experience.

- Collaborations with banks for co-lending, along with partnerships with business correspondents, offer scalable channels to expand outreach and reduce customer acquisition costs.

THREATS

While the outlook remains positive, the sector also faces several challenges that could impact operations:

- Changes in local political dynamics or adverse weather events such as floods and droughts may disrupt borrower livelihoods, leading to a rise in delinquencies.
- Although the regulatory framework is currently supportive, the Reserve Bank of India's increasing focus on reducing interest rates charged to end customers may lead to the tightening of pricing norms, which could impact the Company's business model.
- Overexposure to specific geographies or borrower segments could increase the risk of localized defaults, especially in times of crisis.
- The growing presence of banks, NBFCs, and fintech players in the microfinance space has intensified competition, which could pressure margins and borrower retention.
- The quality of field credit officer is a continuing key challenge for the industry to extend credit with the vulnerable group of borrowers.

SEGMENT – WISE PERFORMANCE

The Microfinance Loan segment continues to be the core driver of Annapurna Finance's operations, contributing significantly to the Company's overall business performance and social impact during FY 2024-25.

As of March 31, 2025, the microfinance loan portfolio stood at ₹9,419 Crore, accounting for approximately 85% of the Company's total Assets Under Management. While it has been actively pursuing diversification into other verticals such as MSME and housing finance, microfinance remains the dominant business segment.

During the year the loan disbursement grew by 8% driven by deeper penetration into underserved regions and increased demand for income generating loans. The Company expanded its reach by opening 257 new branches during the year aggregating to 1,636 across 21 states, reinforcing its commitment to last mile delivery. The active borrower base grew to 29 lakh reflecting a Year-on-Year increase of 5 %.

However, the Gross NPA in the microfinance segment decreased to 2.7% as of March 31, 2025 (from 2.9% in March 2024), largely due to borrower stress in specific geographies. To mitigate credit risk, Annapurna Finance has focused on strengthening its field-level monitoring mechanisms, leveraged technology-based credit scoring models, and enhanced its borrower education and financial literacy programs. The Company continued to focus on operational optimization by increasing the proportion of cashless disbursements and collections (presently about 70 % in MFI), expanding the use of digital field applications to streamline borrower onboarding and monitoring, and investing in capacity building of field staff to ensure consistency in service delivery.

In response to regulatory guidance, it has implemented a 0.5% reduction in lending rates across its microfinance portfolio and capped it at 23.49% for Microfinance loans. While this move aligns with borrower affordability, it has created downward pressure on margins. The Company is responding by tightening operational costs and procuring funds for loans at lower interest rates.

OUTLOOK

The company anticipate stable credit quality in the upcoming financial year, supported by disciplined underwriting practices, robust collection mechanisms, and increased reliance on data-driven risk monitoring tools. While external factors such as weather-related disruptions, political uncertainties, and regional economic slowdowns may pose challenges, our early-warning systems and contingency frameworks are designed to mitigate such risks effectively.

On the growth front, we expect sustained demand for microfinance products, particularly across underserved rural and semi-urban markets. Annapurna Finance has plans to expand its loan portfolio prudently, targeting a growth rate of approximately 15% in the next fiscal year, with a continued focus on maintaining asset quality. Overall, we remain committed to our mission of delivering inclusive financial services while maintaining strong risk governance and sustainable business practices.



RISK AND CONCERN

As one of India's leading NBFC-MFIs, the Company, remains steadfast in its mission to empower underserved communities across rural, tribal, and semi-urban regions. However, the evolving financial ecosystem and dynamic regulatory landscape continue to pose emerging challenges.

Credit risk remains a core concern, primarily due to inherent nature of unsecured lending to low-income borrowers. The sector has witnessed stress in certain regions, driven by factors such as localized over-indebtedness, crop failures and lingering post-pandemic cash flow disruptions. Despite the Company's adherence to prudent credit policies and robust borrower screening mechanisms, the Gross Non-Performing Assets decreased to 2.7% as of March 2025, compared to 2.9% in March 2024. This uptick was largely attributable to regional borrower stress.

In addition, Annapurna Finance's asset concentration remains significant, with approximately 52% of its portfolio concentrated in three states—Odisha, Bihar, and Madhya Pradesh—with Bihar alone accounting for 21-23% of the total Assets Under Management. This geographic concentration heightens the Company's vulnerability to region-specific risk. Nonetheless, it continues to exercise vigilance through strategic geographic diversification, the adoption of group lending methodologies, and strengthened post-disbursement monitoring practices to manage and mitigate these risks effectively.

Given the high cost of servicing micro-loans—characterized by small ticket sizes, high operational intensity, and outreach in remote areas—even marginal reductions in interest rates can significantly compress margins. Annapurna Finance is therefore taking a calibrated approach to cost optimization, product diversification, and operational efficiency to safeguard financial sustainability while continuing to serve our social mandate. It maintains an internal cap on the lending rate for microfinance loans to ensure that borrowers are not charged excessively high interest rates. During the year, this cap rate was further reduced by 0.5%.

TECHNOLOGY-DRIVEN CUSTOMER SERVICES

The Company has prioritized the digitization of customer services, focusing on fully digital mechanisms for both loan onboarding and recovery processes. This initiative aims to enhance transparency, improve service accessibility, and streamline customer interactions.

To promote a cashless and secure repayment experience, Annapurna Finance has developed and launched its own mobile application, enabling customers to make loan repayments anytime, anywhere, through a secure

digital platform. In addition, it has implemented an automated customer grievance redressal system. This application-based mechanism ensures that all customer complaints are addressed systematically, with predefined resolution timelines, allowing for effective monitoring and enhanced service delivery.

To strengthen the accuracy and efficiency of the loan onboarding process, the Company has integrated a Business Rule Engine into its Loan Operating System. This BRE automatically assesses loan eligibility based on predefined system parameters, thereby eliminating the possibility of manual underwriting errors and ensuring a consistent evaluation process.

FINANCIAL AND OPERATIONAL POSITION

The financial year 2024-25 witnessed a complex macroeconomic landscape. Amidst these dynamics, Annapurna Finance has maintained operational resilience and demonstrated stable performance across critical financial indicators.

Income and Profitability:- It has recorded a total income of ₹2,18,326 lakhs in FY25, marking a year-on-year growth of 5.4% over ₹2,07,094 lakhs in FY24. This performance was supported by consistent execution across business segments. Profit after Tax stood at ₹6,924 lakhs, compared to ₹23,242 lakhs in the previous year. The decline was primarily driven by an increase in impairment on financial instruments and higher employee benefit expenses, undertaken to support long-term talent retention and Company capability building.

Balance Sheet and Capital Position:-As on March 31, 2025, Annapurna Finance's total assets stood at ₹8,94,619 lakhs, while total equity increased to ₹1,65,177 lakhs, reflecting a continued strengthening of the balance sheet. The Capital Adequacy Ratio remained well above regulatory requirements at 29.61%, signifying robust capital buffers and prudent risk management.

Loan Book and Valuation Changes: The Company's loan book remained steady at ₹7,45,048 lakhs, indicating sustained asset levels. During the year, it refined its valuation methodology for the loan portfolio in alignment with Ind AS 109, with retrospective adjustments in accordance with Ind AS 8, thereby enhancing transparency and compliance with applicable accounting standards.

Liquidity and Cash Position: Annapurna Finance has strengthened its liquidity position, with cash and cash equivalents standing to ₹31,185 lakhs. This was achieved through disciplined treasury operations

and a proactive liquidity management strategy. It has continued to meet all financial obligations in a timely manner, despite volatility in the broader financial ecosystem.

Asset Quality and Recovery Measures: In a focused effort to enhance asset quality, the Company transferred ₹18,659 lakhs of non-performing assets to Asset Reconstruction Companies during the year. This strategic action is expected to support long-term balance sheet cleanup and improve recoveries.

Covenant Compliance: Certain financial covenants linked to performance were not met with respect to ₹31,777 lakhs of outstanding debt. However, it is important to note that timely servicing of all debt obligations has been maintained, and Annapurna Finance has received waivers from the respective lenders. As such no remedial actions have been sought by lenders, underscoring the Company's continued credibility with its financiers.

OPERATIONAL PARAMETERS

The operational performance of Annapurna Finance for the financial year ended March 31, 2025 is summarized below:

Particulars	FY 24-25	FY 23-24	Growth (YOY) %
No. of Borrowers	29,28,844	27,92,623	4.88%
No. of Districts	439	424	3.54%
No. of Branches	1,636	1,379	18.64%
Disbursement (₹crore)	8,938.86	8,312.64	7.53%
Gross Loan Portfolio (₹ crore)	11,034.12	10,335.91	6.76%
Off-Book (₹crore)	3,434.82	2,816.52	21.95%
Total Employees	15,709	12,071	30.14%
Field Officers	10,638	7,694	38.26%
GLP/Active Borrowers	37,674	37,011	1.79%

The Company has attained business performance by reaching out to 29,28,844 active loan clients as of March 31, 2025, which has grown from 27,92,623 as of March 31, 2024. The growth in active loan clients during the year was 4.88%. The above was possible with the excellent efforts of 15,709 employees as of March 31, 2025, which was 12,071 as on March 31, 2024, through 1636 Branches, across 21 states and 439 districts in India. During the year under review, 281 new branches were opened.

FUNDING POSITION

In terms of fundraising, Annapurna Finance has mobilised funds amounting to ₹7,311.58 crores in the Financial Year 2024-25, out of which ₹2,876.77 crores

were raised through term loans, ₹3,063.99 crores in the form of Direct Assignments, ₹42.00 crores in the form of NCDs, ₹100.00 Crores in the form of Sub debt, ₹300.00 crores in the form of OCD and ₹928.82 crores in the form of ECB syndication. It has closed ECB syndication deal with Standard Chartered Bank (as Loan Coordinator) & and an OCD deal with Piramal Alternatives in FY 2024-25. The Company has added Qatar National Bank as our new lender in FY 24-25.

GREEN FINANCING INITIATIVES

In alignment with national priorities under India's climate action framework and global sustainability targets such as the United Nations Sustainable Development Goals, Annapurna Finance has placed strategic emphasis on the development and expansion of green financing products. These initiatives are aimed at facilitating the transition to a low-carbon economy while directly contributing to the reduction of the environmental footprint in the communities we serve. During the year 2025, the two key offerings under green loan portfolio: Rooftop Solar Financing and Electric Three-Wheeler Financing gained encouraging momentum among our clients:

- **Rooftop Solar Financing:** Recognizing the increasing demand for clean and reliable energy solutions, the Company expanded its financing support for rooftop solar installations across both residential and commercial segments. This initiative is aligned with our long-term sustainability vision and supports the government's commitment to increase the share of renewable energy in the national grid. To this end, we have set a forward-looking target of funding a cumulative capacity of 50 MW of solar power generation through rooftop installations by the year 2027.
- **Electric Three-Wheeler Financing:** As part of our broader commitment to sustainable mobility, we initiated Electric Three-Wheeler Financing during the financial year 2024-25 for small business owners and first-time vehicle users, who have benefited from our affordable and accessible loan structures.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Annapurna Finance continues to recognize human capital as a key driver of sustainable growth and organizational excellence. Throughout the financial year 2024-25, focused investments were made in employee training, leadership development, performance management, and staff welfare initiatives to foster a high-performance and inclusive work culture. It has

sustained its efforts towards developing a continuous listening culture with a view to involve employees, harness their ideas and feedback, and achieve the Company's purposes and goals. As on March 31, 2025, Annapurna Finance has a workforce strength of approximately 15,709 employees across various locations and functions. The talent development agenda aligned with the Company's long-term strategic goals, with an emphasis on upskilling, digital capability building, and employee engagement.

DISCLOSURE ON ACCOUNTING TREATMENT

The standalone financial results for the year ended March 31, 2025, have been prepared in accordance with Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013. No deviation from the prescribed accounting standards has been made in the preparation of the financial statements.

However, it has implemented a refined valuation methodology for loan portfolios to align with Ind AS 109, resulting in retrospective adjustments as per Ind AS 8. These adjustments did not impact key financial indicators like Profit After Tax, EPS, or CRAR and were disclosed in the notes to accounts.

TRANSFER TO RESERVES

The Board of Directors has transferred an amount not less than 20% of the profit after tax i.e. ₹13.85 Crore to the statutory reserve maintained under Section 45-IC of the Reserve Bank of India Act, 1934.

DIVIDEND:

The Board of Directors aims to grow the business of the Company, maintain a healthy Net Worth & Capital Adequacy Ratio, and enhance the Rate of Return on Investments of the shareholders. With a view to financing the long-term growth plans of Annapurna Finance that require substantial resources, the Board of Directors proposed to retain profits in the business itself, and no dividend is being declared on equity shares for the year under review.

SHARE CAPITAL (AS ON MARCH 31, 2025)

As of 31st March 2025, the authorized share capital of the Company stood at ₹139.00 crore, comprising, 11,39,00,000 Equity Shares of ₹10 each, and 2,51,00,000 Preference Shares of ₹10 each. Annapurna Finance has only one class of equity shares, namely Equity Shares with a face value of ₹10 each. The issued, subscribed, and paid-up share capital of it as of 31st March 2025 is as follows:

	Issued, Subscribed & Allotted	Nominal Value per share (₹)	Paid-up Value (₹)
No. of Equity Shares	10,56,71,490*	10.00	1,01,57,47,852
No. of Preference Shares	30,00,000	10.00	3,00,00,000
Total	10,86,71,490	10.00	1,04,57,47,852

*Of the above, 41,34,012 Equity Shares are partly paid-up, i.e. ₹0.09024 paid-up per share

(a).Equity Share Issuance

During the financial year 2024-25, the Company issued and allotted 37,500 Equity Shares of ₹10 each, under stock options which were exercised by employees under its ESOP Scheme. The Annapurna Employees Welfare Trust was established on 12th November 2020 to encourage eligible employees to participate in the Company's ownership and long-term growth.

(b).Equity Share Transfers

During the financial year 2024-25, a total of 1,46,24,507 Equity Shares of ₹10 each held by existing shareholders were transferred through secondary sale to three new shareholders, as detailed below:

Piramal Alternatives Trust - 1,18,57,708 Equity Shares

India SME Investments Fund - I - 15,81,028 Equity Shares

Mr. Anand Surana - 11,85,771 Equity Shares

BOARD OF DIRECTORS

As of 31st March 2025, the Board of Directors comprises 12 (twelve) members, including 3 (three) Independent Directors, 7 (seven) Nominee Directors, 2 (two) Executive Directors. The Board also includes 1 (one) Woman Director. The composition of the Board is in compliance with the requirements of the Companies Act, the SEBI Listing Regulations, and the applicable RBI guidelines. The Directors bring with them extensive knowledge, diverse experience, and the requisite skills across various functional areas relevant to its operations. Their collective expertise has contributed significantly-and continues to contribute-to the Company's strategic and policy decisions. Further

details regarding the Board, its committees, the Directors' areas of expertise, and related information can be found in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING FY25

Details of change in Board Composition during the year are as follows -

Sl.	Director Name	DIN	Designation	Date of change	Nature of Change
1	Mr. Krishna Kumar Tiwary	02914614	Independent Director	June 05, 2024	Cessation
2	Mr. Sean Leslie Nossel	05327455	Independent Director	June 05, 2024	Cessation
3	Ms. Christina Stefanie Juhasz	06451902	Nominee Director	June 10, 2024	Cessation
4	Mr. R. V. Dilip Kumar	01060651	Nominee Director	May 07, 2024	Cessation
5	Mr. Arup Kumar	07682113	Nominee Director	January 02, 2025	Cessation
6	Mr. Guillaume Accarain	09527231	Nominee Director	May 31, 2024	Cessation
7	Mr. Naval Jawaharlal Totla	02408585	Nominee Director	May 07, 2024	Appointment
8	Mr. Prateek Shrivastava	10642432	Independent Director	June 12, 2024	Appointment
9	Mr. Pramod Kumar Vijayvargia	03128554	Nominee Director	January 2, 2025	Appointment

As of the date of this Report, the following individuals are designated as the Key Managerial Personnel of the Company:

- Mr. Gobinda Chandra Pattanaik - Managing Director
- Mr. Dibyajyoti Pattanaik - Director
- Mr. Satyajit Das - Chief Financial Officer
- Mr. Sanjay Pattanaik - Chief Operating Officer
- Mr. Subrata Pradhan - Company Secretary & Chief Compliance Officer

B) DECLARATION BY INDEPENDENT DIRECTOR(S) AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

The Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(7) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations and that they have complied with the code of conduct for independent directors as prescribed under Schedule IV of the Companies Act, 2013.

Further, pursuant to Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors of Annapurna Finance have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, to impair or impact their ability to discharge their duties with an objective of independent judgment and without any external influence. In the opinion of the Board, all the Independent Directors meet the criteria with regards to integrity, expertise and experience, including proficiency as required under applicable laws. The Board has also received from the Directors a statement that they have complied with the Code of Conduct for Directors.

C) NOMINATION AND REMUNERATION POLICY FOR DIRECTORS, KMPs AND SENIOR MANAGEMENT

According to the provisions of Section 178 of the Act, Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and applicable RBI guidelines, a Nomination and Remuneration Policy for Directors, KMPs and Senior Management, Functional Heads and other employees of Annapurna Finance, which is available on the official website at annapurnafinance.in → Resources → Codes & Policies → Nomination and Remuneration Policy. The Policy provides for Board diversity criteria and qualifications for appointment of Directors, KMPs and SMPs, remuneration paid / payable to them, etc. Additional details on Board diversity are available in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

D) EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Company has conducted Board Evaluation for FY25. The evaluation of all individual Directors, Committees, Chairman of the Board, and the Board as a whole, was conducted based on the criteria and framework as prescribed under the law in this regard. A brief on the annual board evaluation process undertaken in compliance with the provisions of the Act and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in the Report on Corporate Governance, forming part of this Integrated Annual Report.

E) COMMITTEES OF THE BOARD

The Board believes that the Board Committees are pillars of good corporate governance. The operations of the Company are managed under the direction of the Board within the framework set by the Companies Act, 2013, as amended (the "Act") and the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from

time to time (the “Listing Regulations”) and the Articles of Association of Annapurna Finance. The Board is also governed by Internal codes/ procedures prescribed within the Company from time to time. The Board has established the following Committees to assist the Board in discharging its responsibilities:

- a. Audit Committee
- b. CSR & Social Performance Management Committee
- c. Nomination and Remuneration Committee
- d. Risk Management Committee
- e. IT Strategy Committee
- f. Product Committee
- g. ALM Committee
- h. Annual Business Plan Committee
- i. Stakeholders Relationship Committee
- j. Executive Committee
- k. Customer Relationship Committee

The Board may constitute new committees or dissolve any existing committee as it deems necessary for the discharge of its responsibilities. Role of Committees of Board along with Directors’ attendance details, composition, terms of reference and such other relevant details for the year under review are elaborated in the Report on Corporate Governance for the FY 2024-25, forming part of this annual report.

F) MEETINGS OF THE BOARD OF DIRECTORS

The Board of Director meets at regular intervals to discuss and decide on business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board’s approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meetings. During FY 2024-25, the Board of Directors of the Company met 7 (Seven) times (i.e. on 30th April 2024, 7th May 2024, 21st May 2024, 7th August 2024, 4th November 2024, 13th November 2024, and 6th February 2025). Necessary quorum was present for all the meetings. Further, the maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act. The details of the meetings are given in the Report on Corporate Governance, forming part of this annual report.

AUDITORS AND AUDITORS’ REPORT:

A) STATUTORY AUDITORS AND AUDIT REPORT

Pursuant to RBI Guidelines for Appointment of Statutory Auditors dated April 27, 2021, (‘RBI Guidelines’) and

provisions of Section 139 read with Section 141 of the Companies Act, 2013, M/s Walker Chandiook & Co LLP, Chartered Accountants (FRN 001076N/N500013) has been appointed as the Statutory Auditors of the Company at the AGM held on 8th August 2024 for a period of three years. The Statutory Auditor’s Report and the Annual Financial Statements for FY’25 as approved by the Board on 23rd May, 2025, does not contain any qualification, reservation, adverse remark or disclaimer and the same is available on the Company’s official website, at annapurnafinance.in →Resources →Reports & Newsletters →Audit Reports →Audit Report 2024-25 .

B) SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amended Regulation 24A of the SEBI Listing Regulations, the Board on its meeting held on 6th Feb 2025 has appointment M/s. Gopinath Nayak & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2024-25. The Secretarial Audit Reports in the prescribed Form MR-3 for the financial year ended 31st March 2025, which forms an integral part of this Report is available on the official website at annapurnafinance.in → Resources →Reports & Newsletters →Secretarial Audit Report →Secretarial Audit Report March 2025. Further, there are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their Report.

C) COST RECORD

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 relating to Cost Audit and maintaining cost audit records are not applicable to the Company.

DETAILS IN RESPECT OF FRAUDS, IF ANY, REPORTED BY AUDITORS

Pursuant to Section 143(12) of the Companies Act, the Statutory Auditor of the Company has reported 20 (twenty) instances of fraud involving embezzlement of cash by employees, amounting to ₹ 75 lakhs. Out of the total amount, ₹8 lakhs have recovered, while provision has been made for the remaining amount of ₹ 67 lakhs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of the Company’s business.

CREDIT RATINGS

Annapurna Finance has long-term ratings and NCD ratings from CRISIL, ICRA, and CARE. The details of ratings as of 31st March 2025 are as follows:

Rating	Long term Rating (Bank Loan)
CRISIL A- / (Stable)	₹ 2,100.00 crore
CARE A-/ (Stable)	₹ 2,011.99 crore
[ICRA] A- (Stable)	₹ 1,600.00 crore

Rating	Debt Instrument Rating (NCDs) - Outstanding Amount
CRISIL A- (Stable)	₹ 45.00 Crore
CARE A- (Stable)	₹ 322.35 Crore
ICRA A-(Stable)	₹ 441.95 Crore

It has also rated its portfolio pools, assigned for Direct Assignment transactions. Further, the Comprehensive Microfinance Grading by CRISIL for the Company as of March 31, 2025, is ‘M1C1’. CRISIL’s Comprehensive Microfinance Capacity signifies the highest capacity of the MFI to manage its operations in a sustainable manner and Excellent performance on Code of Conduct dimensions. The grading is assigned on an eight-point scale with respect to Microfinance Capacity Assessment Grading, with ‘M1’ being the highest grading, and ‘M8’, the lowest and on a five-point scale with respect to Code of Conduct Assessment, with ‘C1’ being excellent performance, and ‘C5’, the weakest.’

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 25 under review, there were no significant or material orders passed by any Regulator, Court, or Tribunal that would impact the going concern status or the Company’s operations in the future.

INTERNAL AUDIT

The internal audit function provides an independent view to the Board of Directors, the Audit Committee, and the Senior Management on the quality and efficacy of internal controls, governance systems and processes. In line with applicable RBI guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit Policy. At the beginning of each financial

year, an audit plan is rolled out after approval of the Audit Committee. The audit plan is aimed at evaluating the efficacy and adequacy of internal control systems and compliance thereof, the robustness of internal processes, policies, and accounting procedures, and compliance with laws and regulations. Based on the reports of internal audit function, the process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions, if any, are presented to the Audit Committee of the Board on a quarterly basis. Pursuant to the Risk Based Internal Audit Framework, internal audit is aligned in such a manner that assurance is provided to the Audit Committee and Board of Directors on the quality and effectiveness of internal controls, and governance-related systems and processes.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Annapurna Finance has established a robust internal control framework commensurate with the size, scale and complexity of its operations. These controls are designed to ensure the reliability of financial reporting, compliance with applicable laws and regulations, safeguarding of IT assets, and the effective and efficient conduct of business operations. The internal control system encompasses a well-defined organizational structure, documented policies and standard operating procedures, delegated authority levels, and an independent Risk, Compliance & Internal audit function. The controls are reviewed and updated regularly to align with emerging risks and regulatory requirements. The Company has implemented strong credit appraisal and risk monitoring processes, supported by technology platforms, to ensure timely detection of portfolio-level risks and borrower-level delinquencies. Field operations are subject to periodic audits and compliance testing to ensure adherence to regulatory, operational guidelines and customer service standards. The internal audit department, which operates independently, conducts regular reviews of business processes, branch operations, and compliance areas. Findings are reported to the Audit Committee of the Board, and corrective actions are monitored for timely resolution. During the year under review, no material weaknesses in the internal control system were observed. The Board is satisfied that the existing internal control systems are adequate and effective in ensuring operational integrity and financial discipline. It remains committed to continually strengthen its internal control environment through automation, capacity building, and the adoption of best practices in governance and compliance.



RISK MANAGEMENT POLICY

Pursuant to the SEBI Listing Regulations and applicable RBI guidelines, the Board of Directors has adopted a Risk Management Policy that outlines the Company's approach to identifying, assessing, mitigating, and monitoring risks that may pose a threat to its existence or hinder day-to-day operations. The policy is aligned with global best practices and emphasizes proactive risk governance, including the adoption of Enterprise Risk Management software aligned with the COSO 2017 framework. The Risk Management Unit oversees the implementation of this framework through structured risk identification, RCSA reviews, KRI dashboards, and portfolio analytics. The Company's risk governance includes oversight by the Board Risk Management Committee and the Management Risk Committee. The details of the risk management framework are put in place by Annapurna Finance along with a brief on risk function, processes followed, monitoring & reporting framework form part of Management Discussion and Analysis report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 read with Schedule VII to the Act, the Company has constituted a CSR & Social Performance Management Committee which reviews and recommends inter-alia (a) the policy on Corporate Social Responsibility including changes thereto, (b) Annual CSR Activity Plan including CSR Budget and (c) CSR Projects or Programs for implementation by Annapurna Finance as per its CSR Policy. In accordance with the applicable provisions of Section 135 of the Act and the CSR policy of it, the Company contributes 2% of the average net profits made during the preceding three financial years.

During the financial year 2024-25, Annapurna Finance has undertaken a range of CSR initiatives spanning key sectors including healthcare, sanitation, education, environmental sustainability, gender equality, livelihood promotion, and community hygiene. This diversified approach reflects the Company's commitment to a balanced and inclusive model of social responsibility, aimed at addressing a broad spectrum of societal needs. It has fully met its statutory CSR obligation for the year and in accordance with Section 135 of the Companies Act, 2013, and the applicable CSR Rules, the Company has determined its minimum CSR spending requirement based on the average net profit of the preceding three financial years, as detailed below:

- Average Net Profit for the last three financial years: ₹ 126.32 Crore

- Prescribed CSR Expenditure (2%): ₹ 2.53 Crore
- Actual CSR Expenditure during FY 2024-25: ₹ 2.68 Crore

Being conceptualized from a development background, community welfare has always been a major impact area for Annapurna Finance. In alignment with socially responsible business practices of the institution, the CSR activities also target providing essential services to the excluded segment and improvement of overall social and environmental conditions. This financial year, the CSR projects of Annapurna have made significant contributions to 9 sustainable development goals in areas of accessible healthcare, livelihood security, community hygiene improvement, climate action and promotion of renewable energy. The details of the CSR projects undertaken in the FY 2024-25 are provided in the Social Development part of the Annual Report and details as per the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 can be accessed from the website of the company at annapurnafinance.in → Resources → Reports & Newsletters → CSR Report → March 2025 and the CSR Policy is available at annapurnafinance.in → Resources → Codes & Policies → CSR Policy

CSR Activities: The details of CSR activities during FY 2024-25 is available on the company website at annapurnafinance.in → Resources → Reports & Newsletter → CSR Report

WHISTLEBLOWER POLICY OR VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

Annapurna Finance has established a whistle-blower mechanism under which the Directors and employees may report any unethical behaviour, actual or suspected fraud, violation of the Code of Conduct including that of Insider Trading or any other policies, any other illegal activity occurring in the Company. In exceptional cases, directors or employees can raise their concerns directly to the Chairman of the Audit Committee. A further brief on Vigil Mechanism is given in the Report on Corporate Governance, forming part of this Integrated Annual Report.

LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Annapurna Finance is a Non-Banking Financial Company classified as NBFC-MFI registered under Chapter III-B of the Reserve Bank of India Act, 1934 with the business of giving any loan to a person or providing any guarantee or security for due repayment of any loan

availed by any person in the ordinary course of its business. Hence, provisions of Section 186 related to giving a loan, providing security, or guarantee in connection with the loan are not applicable to the Company. Further, during the financial year, no investment was made by the Company.

RELATED PARTY TRANSACTION

During the financial year ended March 31, 2025, all transactions with the Related Parties as defined under the Act read with Rules framed thereunder, were in the ordinary course of business and at arm's length basis, and no disclosure in Form AOC-2 are necessary to be disclosed. The Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Company did not enter into any Related Party Transaction which requires prior approval of the Members of Company. Necessary disclosures required under the Ind-AS 24 have been made in Note No. 34 of the Notes to the Financial Statements for the period ended 31st March 2025. The Policy on Related Party Transaction is available on the official website of the company at annapurnafinance.in → Resources → Codes & Policies → Related Party Transaction Policy.

MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT:

There are no material changes - like settlement of tax liabilities, major loan pre-closures, changes in the market or regulatory conditions, institution of cases by or against the Company, sale or purchase of capital assets or destruction of any assets, changes in the business, assets, condition (financial or otherwise) or results of operation has taken as a whole which is likely to have an impact on the business of Annapurna Finance, that have occurred after the close of the financial year to which the Balance Sheet relates and the date of this Report.

CORPORATE GOVERNANCE REPORT:

In accordance with the Listing Regulations, a dedicated section titled 'Report on Corporate Governance' has been included in this Integrated Annual Report. All Board members have affirmed their compliance with the applicable Code of Conduct for the financial year 2024-25. Additionally, a Compliance Certificate, certifying the accuracy of the financial statements and other matters as prescribed under the Listing Regulations, has been

submitted to the Board and forms part of the Report on Corporate Governance. A declaration by Chief Financial Officer, and a certificate from Secretarial Auditors included in the Report on Corporate Governance.

DISCLOSURE UNDER THE POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 ("POSH ACT"):

Annapurna Finance has been employing women employees in various cadres with varied responsibilities. It has in place a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment of Women at the Workplace and an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder, for reporting and conducting an inquiry into the complaints made by victims on harassment at the workplace. The number of complaints received during the financial year 2024-25 along with their status of redressal as of the financial year ended March 31, 2025, is as follows:

No. of complaints pending redressal as of April 1, 2024	0
No. of complaints filed during the financial year 2024-25	4
No. of complaints disposed of during the financial year 2024-25	4
No. of cases pending for more than ninety days	0
No. of complaints pending redressal as of March 31, 2025	0

MATERNITY BENEFIT ACT (AS PER COMPANY POLICY):

The Company adheres to the provisions of the Maternity Benefit Act and extends maternity benefits to all female employees. New joiners must disclose their pregnancy status to the HR department during the recruitment and selection process. To be eligible, the employee must have completed a minimum of 80 working days of service. Eligible female employees are entitled to:

- 26 weeks of maternity leave for expectant mothers
- 12 weeks of leave for child adoption (for children below 3 months)
- 12 weeks of leave for commissioning mothers (through surrogacy)
- 6 weeks of leave in case of miscarriage or medical termination of pregnancy
- 2 weeks of leave post tubectomy operation
- Up to 1 month of unpaid leave for illness arising out of pregnancy-related conditions, subject to HOD approval and valid medical proof

During maternity leave, gross salary (excluding incentives) shall be paid. Leaves beyond 26 weeks will be adjusted against earned leave or treated as leave without pay. Employees covered under ESIC can avail maternity benefits as per ESIC rules, subject to a minimum of 9 months of contribution. Women returning from maternity leave are allowed two nursing breaks per day until the child turns 15 months. The Company has provided the following Maternity Benefits:

- Pre-maternity: Provision of a Maternity Kit
- Post-maternity: Structured onboarding support to reintegrate the employee into her role
- Maternity Bonus (₹ 3500) for all employees availing maternity leave
- 12 female employees availed maternity benefits in FY 2024-25

ANNUAL RETURN

The annual return (MGT-7) of the Company for the said financial year 2024-25, which is an integral part of this report, is available on the website of the Company at annapurnafinance.in → Resources → Reports & Newsletters → Annual Return.

ENVIRONMENT, SOCIAL AND GOVERNANCE REVIEW

As a development finance Company, Annapurna Finance has always proactively adopted better environmental, social, and governance practices to stay ahead, with a high commitment towards responsible lending, transparent governance, customer protection principles, and sustainable development goals. From its inception, it has kept the social commitment at the center of its operation. The vision of supporting the financially excluded segments through need-based products and services has emerged from this strong social commitment of the Company. On the governance side, the Company has always complied with relevant national and global level guidelines to maintain high transparency, accountability, and fair practices in its processes. For environmental commitment, it has always been keen on developing dedicated products that have a direct impact on safeguarding the environment and make a steady contribution to the achievement of climate action and promotion of clean energy.

Annapurna Finance has identified both the opportunities and risks involved with ESG and is now engaged in streamlining its ESG practices to devise an effective strategy to improve the ESG performance further. It has already addressed the portfolio risk from social and environmental concerns through ESMS policy.

Beyond this, the Company has devised an ESG strategy for the Company that focuses on improved monitoring of ESG parameters. This result oriented approach is internalized for achievement of the Company's net zero target. The ESG strategy is designed to synchronize the efforts of multiple teams and assign program-wise ownership; comprehension of climate risk, its impact on the portfolio, and measures to improve the resilience against climate shocks and extreme climate events; lay down a pathway for bringing in the green product line to improve the sustainable practices by the customers.

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

- Information Relating to Conservation of Energy, Technology Absorption: As required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption, the Company's operations involve very low energy consumption. Wherever possible, energy conservation measures have been implemented and there are no major areas where further energy conservation measures can be taken.
- Foreign Exchange Earnings and Outgo: During the financial year 2025 under review, apart from the repayment on overseas borrowings, there were no foreign exchange earnings and outgo.

PUBLIC DEPOSITS

During the period under review, the Company has not received or accepted any deposit from the public and has retained its status as non-deposit-taking NBFC. The financials do not contain any figures that come under the classification of deposits as specified under Chapter V of the Companies Act, 2013. Accordingly, disclosure under Section 35(1) of the RBI Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 also does not apply.

REGULATORY UPDATES

Brief on Regulatory Guidelines released during the FY 2024-2025 are mentioned below:

- RBI issued a directive in response to instances of certain lenders engaging in unfair practices by charging high interest rates, directing all NBFCs to implement corrective measures with immediate effect and the Company has already fully complied with these requirements.
- RBI has mandated the disclosure of the Key Facts

Statement (KFS) and Annual Percentage Rate (APR) for Loans and Advances, with full transparency, effective from 1st October 2024 and the Company has already fully complied with these requirements.

- RBI issued directives for NBFCs to revamp their internal compliance tracking and monitoring processes by adopting comprehensive, integrated, and workflow-based solutions effective from 30th June 2024 and the Company has already fully complied with these requirements.
- RBI issued Circular with the requirement for NBFCs to strengthen their fraud risk management practices and in compliance with the same, the Company has fully met all stipulated requirements and also constituted an internal committee titled the "Committee of Executives (COE) for Fraud Risk Management".
- RBI mandated establishment of a robust Consumer Grievance Redressal Mechanism, including root cause analysis of complaints relating to customer service, digital payments, loans, and recovery. In this regard, the Company trained the frontline staffs to resolve issues at an early stage and the Internal Ombudsman entrusted with reviewing complaints and reporting directly to the Board.

SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

Annapurna Finance has a wholly owned subsidiary named Annapurna SME Finance Private Limited. Presently, the Subsidiary company is in dormant status. During the year, there were no new Subsidiary/Joint Ventures/Associate Companies were incorporated.

COMPLIANCE WITH SECRETARIAL STANDARD

Annapurna Finance has complied with the applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors, issued by The Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Annapurna Finance indemnifies all its past and present Directors and Officers in default, against certain liabilities and costs incurred by them in their respective capacities and has taken an insurance policy for its Directors and Officers (D & O policy). The present limit of liability covered under the insurance policy is up to ₹ 50 crore.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards under the historical cost convention on an accrual basis except for certain financial instruments, which are measured at fair values, as per the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. Ind-AS are prescribed for the Company under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Accounting Policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Directors to the best of their knowledge and belief confirm that:

- In preparation of the annual accounts for the financial year that ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures.
- Annapurna Finance has 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 at the end of the financial year.
- It has taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- It has prepared the annual accounts on a going concern basis.
- It has laid down internal financial controls, which are adequate and are operating effectively.
- The Company has devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from all stakeholders. The Directors also extend their appreciation to all the employees for their continued support and unstinting efforts in ensuring outstanding operational performance and for their continued commitment, dedication, and cooperation.

**For and on behalf of the Board of Directors
Annapurna Finance Pvt. Ltd.**

Sd/-
Gobinda Chandra Pattanaik
Managing Director
(DIN-02716330)

REPORT ON CORPORATE GOVERNANCE (2024-25)

1. CORPORATE GOVERNANCE PHILOSOPHY:

Annapurna Finance Private Limited (“The Company” or “Annapurna Finance”) is deeply committed to upholding fundamental business principles and ethical conduct while prioritizing the interests of all stakeholders as it delivers financial services across India. It firmly believes that effective corporate governance is critical to sustainable growth and value creation for its stakeholders. Over the years, the Company has consistently adhered to exemplary corporate governance practices in compliance with the Companies Act, as well as regulations issued by the Reserve Bank of India and the Securities and Exchange Board of India. This commitment has been instrumental in establishing Annapurna Finance’s reputation as a thriving microfinance institution, enabling it to fulfill its responsibilities towards customers, employees, financiers, and society at large.

The Company embeds corporate governance principles grounded in its core values into its everyday operations. By offering income-generating financial services, it places the highest importance on transparency, accountability, empowerment, independent oversight, social responsibility, and environmental stewardship. These principles not only strengthen trust among clients and stakeholders but also contribute positively to the communities the Company serves.

Recognizing the paramount importance of compliance with all applicable laws and regulations, Annapurna Finance remains dedicated to fostering and upholding its core values throughout all aspects of its operations and service delivery. In doing so, the Company aims to exemplify integrity and ethical conduct in the business environment. Moreover, it proactively anticipates regulatory developments by implementing and maintaining robust governance practices, ensuring that it not only meets but often surpasses the standards prescribed by regulatory authorities. This forward-looking approach reinforces the Company’s unwavering commitment to governance excellence.

In India, corporate governance standards for Debt listed, Non-Banking Financial Companies are mandated under the Companies Act, 2013 (“the Act”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), the Master Circular – Non-Banking Financial Company – Corporate Governance (Reserve Bank) Directions, 2015, and the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, updated as of May 05, 2025 (collectively referred to as “RBI Master Directions/Guidelines”), as amended from time to time.

2. BOARD STRENGTH & REPRESENTATION:

2.1. COMPOSITION AND CATEGORY:

The Board of Directors of the Company comprises a well-balanced and diverse mix of Executive and Non-Executive Directors, in compliance with the provisions of the Companies Act, 2013 (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), both as amended from time to time. This composition ensures an optimal blend of knowledge, professional expertise, and industry experience, enabling the Board to provide effective leadership and strategic guidance in the management of its affairs.

As of 31st March 2025, the Board consists of 12 Directors, including:

- 3 (three) Independent Directors
- 7 (seven) Nominee Directors
- 2 (two) Executive Directors

The Board also includes 1 (one) Woman Director. Notably, 83.33% of the Board members are Non-Executive Directors, reflecting the Company’s commitment to maintaining a strong and independent governance structure. Details relating to the composition of the Board as of 31st March 2025—such as the number of directorships held, committee memberships and chairpersonships, attendance at Board meetings and the Annual General Meeting and shareholding information—are provided in the table below:

Sl.No.	Name of Director	Director since	Capacity (i.e. Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent) #	DIN	Number of Board Meetings		No. of other Director ships (including this and other private and public companies)	Attendance in AGM held on 8th August, 2024	No. of shares held in and convertible instruments held in the Company
					Held	Attended			
1	Mr. Gobinda Chandra Pattanaik	13-08-2009	Chairman /Executive	02716330	7	6	1	Yes	80,00,546
2	Mr. Dibyajyoti Pattanaik	14-09-2009	Executive	02764187	7	7	2	Yes	17,19,805
3	Mr. Krishna Kumar Tiwary*	13-02-2012	Independent	02914614	3	3		N.A.	0
4	Mr. Sean Leslie Nossel*	20-07-2012	Independent	05327455	3	1	-	N.A.	0
5	Mr. Ashok Ranjan Samal	17-10-2016	Independent	00918164	7	7	2	Yes	0
6	Ms. Christina Stefanie Juhasz*	30-11-2016	Nominee	06451902	3	2	-	N.A.	0
7	Mr. Arup Kumar*	28-09-2022	Nominee	07682113	6	3	-	Yes	0
8	Mr. Sunit Vasant Joshi	19-05-2020	Nominee	02962154	7	6	1	Yes	0
9	Mr. Mecherimadam Ramakrishnan Venkiteswaran	25-09-2020	Nominee	08286433	7	6	2	No	0
10	Ms. Radhika Jayant Shroff	25-06-2021	Nominee	09210584	7	3	1	Yes	0
11	Mr. Ranganathan Varadarajan Dilip Kumar*	25-06-2021	Nominee	01060651	2	1	-	N.A.	0
12	Mr. Abhishek Agrawal	23-12-2021	Nominee	06760344	7	7	3	Yes	0
13	Mr. Guillaume Martin Mvuyekure Accarain*	18-04-2022	Nominee	09527231	3	3	-	N.A.	0
14	Mr. Ajay Bhaskar Limaye	25-09-2023	Nominee	02762738	7	7	1	Yes	0
15	Mr. Naval Jawaharlal Totla	07-05-2024	Nominee	02408585	5	4	1	Yes	0
16	Mr. Prateek Shrivastava	12-06-2024	Independent	10642432	4	3	1	Yes	0
17	Mr. Pramod Kumar Vijayvargia	02-01-2025	Nominee	03128554	1	0	1	N.A.	0
18	Mr. Govinda Rajulu Chintala	25-09-2023	Independent	03622371	7	6	5	Yes	0

*During the financial year 2024-25, the following changes took place in the composition of the Board of Directors:

- Mr. Guillaume Accarain ceased to be a Director with effect from May 31, 2024.
- Mr. R.V, Dilip Kumar ceased to be a Director with effect from May 07, 2024.
- Mr. Krishna Kumar Tiwary ceased to be a Director with effect from June 05, 2024.
- Mr. Sean Leslie Nossel ceased to be a Director with effect from June 05, 2024.
- Ms. Christina Stefanie Juhasz ceased to be a Director with effect from June 10, 2024.
- Mr. Arup Kumar ceased to be a Director with effect from January 02, 2025.

Additional Note: None of the Directors held directorships in any listed companies during the reporting period.

2.2. DETAILS OF CHANGE IN THE COMPOSITION OF THE BOARD DURING THE CURRENT FINANCIAL YEAR:

The Company has complied with all the necessary provisions of the Companies Act, 2013 and rules made thereunder by reporting the changes in Board composition to the Registrar of Companies within the prescribed time period. The Changes in Board composition during the year were as follows-

SL.	NAME OF DIRECTOR	CAPACITY (I.E., EXECUTIVE/ NON-EXECUTIVE/ CHAIRMAN/ PROMOTER NOMINEE/ INDEPENDENT)	NATURE OF CHANGE (RESIGNATION, APPOINTMENT)	EFFECTIVE DATE
1	Mr. Krishna Kumar Tiwary	Independent Director	resignation	June 5, 2024
2	Mr. Sean Leslie Nossel	Independent Director	resignation	June 5, 2024
3	Ms. Christina Stefanie Juhasz	Nominee Director	resignation	June 10, 2024
4	Mr. Ranganathan Varadarajan Dilip Kumar	Nominee Director	resignation	May 7, 2024
5	Mr. Arup Kumar	Nominee Director	resignation	January 2, 2025
6	Mr. Guillaume Accarain	Nominee Director	resignation	May 31, 2024
7	Mr. Naval Jawaharlal Totla	Nominee Director	Appointment	May 7, 2024
8	Mr. Prateek Shrivastava	Independent Director	Appointment	June 12, 2024
9	Mr. Pramod Kumar Vijayvargia	Nominee Director	Appointment	January 2, 2025

Note: Two independent directors resigned during the financial year ended March 31, 2025 due to completion of their tenure. Also One new independent director was appointed on the board during the financial year ended March 31, 2025.

In pursuance of Para C(2), Schedule V to the Listing Regulations, the Board has the identified core skills/expertise/competencies that are desirable for Annapurna Finance to function effectively in the context of the business of the Company. These core skills/expertise/competencies are actually available with the Board in the following manner (Y/N):

SL.	DIRECTORS	NATIONAL AND INTERNATIONAL BUSINESS KNOWLEDGE	CORPORATE STRATEGY AND PLANNING	UNDERSTANDING OF ACCOUNTING AND FINANCIAL STATEMENTS	COMPLIANCE, AND REGULATORY AFFAIRS	RISK, ASSURANCE AND INTERNAL CONTROLS	MARKETING & BRANDING	ENVIRONMENTAL/ CLIMATE GOVERNANCE/ SUSTAINABILITY	DIVERSIFIED LEADERSHIP
1	Mr. Gobinda Chandra Pattanaik	Y	Y	Y	Y	Y	Y	Y	Y
2	Mr. Dibyajyoti Pattanaik	Y	Y	Y	Y	Y	Y	Y	Y
3	Mr. Ashok Ranjan Samal	Y	Y	Y	Y	Y	Y	Y	Y
4	Mr. Sunit Vasant Joshi	Y	Y	Y	Y	Y	Y	Y	Y
5	Mr. Venkiteswaran. M. R.	Y	Y	Y	Y	Y	Y	Y	Y
6	Ms. Radhika Jayant Shroff	Y	Y	Y	Y	Y	Y	Y	Y
7	Mr. Abhishek Agrawal	Y	Y	Y	Y	Y	Y	Y	Y
8	Mr. Govinda Rajulu Chintala	Y	Y	Y	Y	Y	Y	Y	Y
9	Mr. Ajay Bhaskar Limaye	Y	Y	Y	Y	Y	Y	Y	Y
10	Mr. Pramod Kumar Vijayvargia	Y	Y	Y	Y	Y	Y	Y	Y
11	Mr. Prateek Shrivastava	Y	Y	Y	Y	Y	Y	Y	Y
12	Mr. Naval Jawaharlal Totla	Y	Y	Y	Y	Y	Y	Y	Y

As of March 31, 2025, the composition of the Board & its committees conforms with the applicable provisions of the Act, Regulation 17 of SEBI Regulations & applicable RBI Master Directions / Guidelines on the Corporate Governance requirements relating to the constitution of various committees of the Board, as stipulated from time to time.

2.3.DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the Directors of the Company are related to each other.

2.4.INFORMATION PLACED BEFORE THE BOARD

The Board has complete access to all the information of the Company, inter alia complete agenda for meetings along with all relevant annexures, reports of various committee meetings, operational report, financial report, risk report, internal audit report, CSR report, Product performance details and the information to be placed before the Board of Directors as required under the Listing Regulations. The important decisions taken at the Board and the Committee Meetings are communicated to the concerned Departments/ Divisions of the Company to take necessary actions as required. The required information is sent to the Board and Committee members in advance in the form of Agenda papers, which cover detailed reports and presentations for taking part in discussion and decision-making.

2.5.EVALUATION OF THE BOARD:

In line with the Corporate Governance Guidelines of the Annapurna Finance, the Annual Performance Evaluation is conducted for all Board Members. The Board evaluation framework has been designed in accordance with the Act, the Listing Regulations, and the Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board of Directors acknowledges the requirements of an effective Board Evaluation process and accordingly conducts the Performance Evaluation every year in respect of Individual Directors, the Board of Directors as a whole and Committees of the Board of Directors. The performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated. The performance evaluation of the Non-Independent Directors is carried out by the Independent Directors who also review the performance of the Board as a whole, which subscribes to the objective of evaluation of the performance of Board and management. During the year, the Board carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors through discussions and oral assessment with qualitative parameters and feedback based on ratings.

The Board's functioning was evaluated on various aspects, inter alia degree of fulfilment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, the effectiveness of Board processes, information and functioning. The outcome of such Performance Evaluation exercise was discussed during the year at a separate meeting of the Independent Directors held on May 20, 2025. The Directors expressed their satisfaction with the overall functioning and implementation of their suggestions.

Independent Directors and Familiarization Program: The Company has received the requisite declarations from all Independent Directors pursuant to Section 149(7) of the Companies Act, 2013 ("the Act") and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). These declarations confirm that the Independent Directors meet the prescribed criteria for independence and that there has been no change in their independent status. Additionally, they have confirmed that they are not aware of any circumstances or situations that exist or may be reasonably anticipated which could affect or impair their ability to discharge their duties as Independent Directors.

All Independent Directors have also affirmed compliance with the Code of Conduct for Independent Directors as outlined in Schedule IV of the Act. To support effective functioning, the Company has established an orientation and familiarization program for its Independent Directors. This includes:

- A comprehensive briefing on their roles, responsibilities, duties, and obligations as Board members;
- An overview of the Company's business model, strategy, and operations;
- Insights into key areas such as corporate governance, the Code of Business Conduct, risk management, internal controls, compliance programs, and internal audit practices.

As part of the induction and ongoing education program, Function Heads make periodic presentations at Board meetings to apprise Directors of business performance, strategic initiatives, financial updates, regulatory developments, and other key matters impacting the Company.

In accordance with Schedule IV of the Act and the Listing Regulations, the Independent Directors held a separate meeting on **May 20, 2025**, without the presence of Non-Independent Directors and members of management. The purpose of the meeting was to review the performance of Non-Independent Directors and the Board as a whole, as well as to evaluate the quality, quantity, and timeliness of information flow between management and the Board. The Board of Directors confirms that, in its opinion, all Independent Directors fulfill the conditions for independence as specified under the applicable laws and are independent of the Company's management. Further, they meet the criteria of expertise, experience, integrity, and proficiency as prescribed under Rule 8 of the Companies (Accounts) Rules, 2014, as amended.

Familiarization Program Disclosure: Details of the familiarization programs conducted during the year are available on the Company's website at: annapurnafinance.in → Resources → Compliance → Familiarization Program

3. BOARD PROCEDURE AND CONDUCT

The Board of Directors holds the primary responsibility for setting and reviewing the strategic direction of the Company, formulating management policies, and evaluating their effectiveness. In addition to guiding long-term objectives, the Board oversees the performance of senior management, ensures compliance with applicable laws and regulations, monitors regulatory reporting obligations, and evaluates risks associated with Annapurna Finance's operations.

Directors are entrusted with ensuring that the Company complies with all statutory and regulatory requirements. To facilitate informed decision-making, the agenda for each Board meeting—along with detailed background information on each agenda item—is circulated well in advance to all members. Decisions taken during Board meetings are based on thorough discussion, and key inputs or approvals provided by Directors are duly recorded in the minutes. Follow-up actions are tracked and reported through an Action Taken Report presented in subsequent Board meetings.

As part of Annapurna Finance's commitment to environmental sustainability, all meeting agendas and related materials are circulated electronically. This digital initiative has significantly reduced paper usage and aligns with the Company's broader green practices.

At each Board meeting, the Managing Director presents an overview of the Company's operational and financial performance. The Board regularly reviews, among other matters:

- The Company's strategic direction
- Annual business plans and capital expenditure budgets
- Quarterly, half-yearly, and annual financial results
- Compliance reports on applicable laws and regulations
- Updates on Environment, Health, and Safety performance
- People and process-related matters
- Minutes of meetings of Board Committees
- Portfolio performance & NPA Position

- Quarterly fraud, robbery and grievances status report
- Quarterly status report by Internal Ombudsman on customer's complaints
- Quarterly Review of Board Policies and SOP/Frameworks
- ECL & write-off proposal
- Review of Interest Rate Noting
- Quarterly Investment summary, including monthly reports
- Quarterly details on foreign exchange exposures
- Quarterly Corporate Governance report and BSE Reporting
- Review of Recent Regulatory Updates
- Review and Discussion of Committees recommendations

The Board is also kept informed of significant developments and other material information to ensure effective oversight and timely decision-making.

4. COMMITTEES OF THE BOARD

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as part of good governance practices. During the year, all recommendations of the Committees of the Board have been accepted by the Board.

The Board has constituted the following Committees: -

1. Audit Committee
2. Corporate Social Responsibility & Social Performance Management Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. IT Strategy Committee
6. Product Committee
7. Asset Liability Management Committee
8. Annual Business Plan Committee
9. Stakeholders Relationship Committee
10. Executive Committee
11. Customer Relationship Committee

4.1. AUDIT COMMITTEE:

The Audit Committee assists the Board with its responsibility of overseeing the quality and integrity of the accounting, auditing, financial performance, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The role of the Audit Committee, inter alia, includes overseeing the accounting and financial reporting processes of it, the audits of the Annapurna Finance's financial statements, the qualifications, appointment, remuneration, independence, and performance of the statutory auditors, the reports & observations of internal auditors, the secretarial audit report, the report information security audit report and reviewing the risk management framework/policies. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Krishna Kumar Tiwary*	19-10-2012	Independent Director	1	1	0
2.	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	4	4	0
3	Ms. Christina Stefanie Juhasz	21-06-2019	Nominee Director	1	0	0
4	Mr. Govinda Rajulu Chintala	08-11-2023	Independent Director	4	4	0
5	Mr. Prateek Shrivastava	21-05-2024	Independent Director	3	2	0
6	Mr. Abhishek Agrawal	21-05-2024	Nominee Director	3	3	0

*Note: Mr. Krishna Kumar Tiwary and Ms. Christina Juhasz were ceased to be a member of the Committee from May 21, 2024.

4.2. CORPORATE SOCIAL RESPONSIBILITY & SOCIAL PERFORMANCE MANAGEMENT COMMITTEE:

Pursuant to the applicable provisions of the Act, the CSR & SPM Committee is required to recommend the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy. The CSR & SPM Committee is constituted especially to manage the social activities in backward areas. The CSR & SPM Committees are responsible for the implementation and monitoring of the activities undertaken towards achieving the Annapurna Finance's CSR goals. The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Gobinda Chandra Pattanaik	25-11-2013	Managing Director	2	1	80,00,546
2.	Mr. Dibyajyoti Pattanaik	25-11-2013	Director	2	1	17,19,805
3.	Mr. Sean Leslie Nossel*	25-11-2013	Independent Director	1	1	0
4.	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	2	2	0
5.	Mr. Prateek Shrivastava	21-05-2024	Independent Director	1	0	0

*Note: Mr. Sean Leslie Nossel ceased to be member of the Committee from May 21, 2024 and Mr. Gobinda Chandra Pattanaik ceased to be member of the Committee on Feb 02, 2025.

4.3. NOMINATION & REMUNERATION COMMITTEE:

The role of the Nomination & Remuneration Committee covers all the areas mentioned under relevant provisions of the Act and the Listing Regulations, including the following:

- Recommending/reviewing remuneration of the Managing Directors and Whole-time Directors based on their performance and defined assessment criteria.
- Approving the appointment, if any, of a relative of a Director for holding office of profit in the Company as per the provisions of the Act and Rules issued there under.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification as may be applicable.

The Committee met two times during the year. The Chairman of the committee was elected in every meeting. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Ashok Ranjan Samal	30-11-2016	Independent Director	2	2	0
2.	Mr. Krishna Kumar Tiwary*	06-08-2014	Independent Director	2	2	0
3	Mr. Sean Leslie Nossel*	06-08-2014	Independent Director	2	2	0
4	Mr. Abhishek Agrawal	25-09-2023	Nominee Director	2	2	0
5.	Mr. Prateek Shrivastava	21-05-2024	Independent Director	0	0	0
6.	Mr. Govinda Rajulu Chintala	21-05-2024	Independent Director	0	0	0

*Note: Mr. Krishna Kumar Tiwary and Mr. Sean Leslie Nossel were ceased to be a member of the Committee from May 21, 2024.

4.4. RISK MANAGEMENT COMMITTEE:

The role of the Risk Management Committee includes reviewing the Company's risk management policies, ensuring appropriate methodology, processes, and systems are in place to monitor and evaluate risks, and reviewing risk management effectiveness and follow-up of remedial actions. The committee regularly reviews reports providing details of the risk exposure, risk mitigation plan, and risk management efforts of Annapurna Finance. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Sunit Vasant Joshi	09-07-2020	Nominee Director	4	4	0
2.	Ms. Christina Stefanie Juhasz*	30-11-2016	Nominee Director	1	0	0
3	Mr. Ashok Ranjan Samal	24-09-2021	Independent Director	4	4	0
4	Ms. Radhika Jayant Shroff	24-09-2021	Nominee Director	4	3	0
5	Mr. Naval Jawaharlal Totla	21-05-2024	Nominee Director	3	2	0

Note: Ms. Christina Stefanie Juhasz, ceased to be a member of the Committee effective May 21, 2024.

4.5.IT STRATEGY COMMITTEE

In terms of the RBI Guidelines, Annapurna Finance has constituted an IT Strategy Committee to advise the Board on IT initiatives and to ensure that IT strategy is aligned with business strategy and ensure that the management has an effective strategic planning process in place. The Committee met four times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Ashok Ranjan Samal	14-12-2017	Independent Director	4	4	0
2.	Mr. Gobinda Chandra Pattanaik*	14-12-2017	Managing Director	4	2	80,00,546
3	Mr. Dibyajyoti Pattanaik	14-12-2017	Director	4	3	17,19,805
4	Mr. Prateek Shrivastava	21-05-2024	Independent Director	3	3	0
5	Mr. Abhishek Agrawal	06-02-2025	Nominee Director	0	0	0
6	Mr. Shankarshan Panda	24-09-2018	CIO- Chief Information Officer	4	4	0
7	Mr. Dillipa Kumar Khuntia	24-09-2018	CTO- Chief Technology Officer	4	4	0

Note: Mr. Gobinda Ch. Pattanaik ceased to be a member of the Committee from February 06, 2025

4.6.PRODUCT COMMITTEE

The primary role of the Product Committee is to prepare and support the decisions to be made by the Board of Directors as a whole on product management and to study and prepare strategic plans including monitoring and guiding for product diversification to improve the performance of the Company and ensuring long term value creation. The committee evaluates the performance of each loan product and also reviews the proposal for new loan products. The Committee met two times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Dibyajyoti Pattanaik	15-02-2017	Director	2	2	17,19,805
2.	Mr. M R Venkiteswaran	25-09-2020	Nominee Director	2	2	0
3.	Mr. Ashok Ranjan Samal	15-02-2017	Independent Director	2	2	0
4.	Ms. Christina Juhasz*	15-02-2017	Nominee Director	0	0	0
5.	Mr. Ajay Bhaskar Limaye	21-05-2024	Nominee Director	2	2	0

Note: Ms. Christina Juhasz ceased to be a member of the Committee from May 21, 2024.

4.7.ASSET LIABILITY MANAGEMENT COMMITTEE

As per RBI Guidelines, the ALM Committee ensures effective risk management in its various portfolios and to avoid Asset Liability mismatches and interest rate risk exposures of the Company. The Committee met fourteen times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Dibyajyoti Pattanaik	04-04-2014	Director	14	14	17,19,805
2.	Mr. Satyajit Das	04-04-2014	CFO	14	14	6,20,102
3	Mr. Sanjay Pattanaik	04-04-2014	COO	14	14	6,20,102
4	Mr. Kumar Vaibhav	04-04-2014	Head-Institutional Finance	14	14	0
5	Mr. Sabyasachi Sahu	04-04-2014	Head- Credit Dept	14	14	0
6	Mr. Anoop TP	04-04-2014	Head-Risk Dept	14	14	0

4.8.ANNUAL BUSINESS PLAN COMMITTEE:

The Annual Business Plan Committee helps in forecasting and drawing a business plan for the next financial year, based on which the Company conducts its business. The actual and estimated performance is being assessed and reviewed in the committee meetings and a revised B- is placed for approval if required. The Committee met once during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1	Mr. Ashok Ranjan Samal*	26-02-2019	Independent Director	1	1	0
2	Mr. Sean Leslie Nossel*	26-02-2019	Independent Director	0	0	0
3	Ms. Radhika Jayant Shroff	24-09-2021	Nominee Director	1	1	0
4	Mr. Sunit Vasant Joshi	09-07-2020	Nominee Director	1	1	0
5	Mr Ajay Bhaskar Limaye	08-11-2023	Nominee Director	1	1	0
6	Mr. M R Venkiteswaran	06-02-2025	Nominee Director	0	0	0
7	Mr. Naval Jawaharlal Tolla	21-05-2024	Nominee Director	1	1	0
8	Mr. Dibyajyoti Pattanaik	06-02-2025	Director	0	0	17,19,805

Note: Mr. Sean Leslie Nossel ceased to be member of the committee from May 21, 2024 and Mr. Ashok Ranjan Samal ceased to be member of the committee from Feb 06, 2025

4.9.STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Board addresses to the grievances of different stakeholders of the Company. The role of the committee is to attend to the grievances of the security holders and takes measures to resolve their queries or grievances and also to prepare the grievance status report for presentation in the Board. Details of Shareholders Complaint is also provided herein below during the year:

No. of Shareholders' Complaints received during the financial year	0
No. of Complaints not solved to the satisfaction of shareholders	0
No. of Pending Complaints	0

The Committee met once during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Ashok Ranjan Samal	24-09-2021	Independent Director	1	1	0
2.	Mr. Gobinda Chandra Pattanaik	24-09-2021	Managing Director	1	1	80,00,546
3	Mr. Dibyajyoti Pattanaik	24-09-2021	Director	1	1	17,19,805

4.10.EXECUTIVE COMMITTEE:

The Executive Committee is the sub-committee of the Board consists of Executive Directors. As per the terms of reference approved by the Board the committee discusses the day-to-day affairs of the Company and accord approval in the matter. All the matters discussed and approved by committee is being placed before the Board for noting. The Committee met fifty-four times during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1.	Mr. Gobinda Chandra Pattanaik	12-11-2014	Managing Director	54	54	80,00,546
2.	Mr. Dibyajyoti Pattanaik	12-11-2014	Director	54	54	17,19,805

4.11.CUSTOMER RELATIONSHIP COMMITTEE:

The Customer Relationship Committee is the sub-committee of the Board consists of one Executive Director and two Independent Director. It is formed pursuant to the requirement of the RBI Master Direction, 2023 on Internal Ombudsman for Regulated Entities to handle major roles and responsibilities related to customer relationship engagement services. All the matters discussed and approved by committee is being placed before the Board for noting. The Committee is newly constituted on February 06, 2025 and no meeting of the committee was held during the year. The Composition of the Committee is mentioned below:

Sl.No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held/ Entitled	Attended	
1	Mr. Ashok Ranjan Samal	06-02-2025	Independent Director	0	0	0
2	Mr. Dibyajyoti Pattanaik	06-02-2025	Director	0	0	17,19,805
3	Mr. Prateek Shrivastava	06-02-2025	Independent Director	0	0	0

4.12. SENIOR MANAGEMENT OR SENIOR MANAGEMENT PERSONNEL

Senior management or SMP are the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and which comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director and specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer. There has been no change in the position of Senior Management since the close of the previous financial year.

5.REMUNERATION POLICY

In compliance with the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the Rules framed thereunder, as well as Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable RBI Guidelines, the Board of Directors has adopted a comprehensive Nomination and Remuneration Policy. This Policy applies to the Directors, Key Managerial Personnel, Senior Management Personnel, Functional Heads, and other employees of the Company. The Policy outlines, among other matters, the criteria for Board diversity, qualifications for the appointment of Directors, KMPs, and SMPs, and the framework for determining the remuneration payable to them.

DETAILS OF REMUNERATION AND PERQUISITES - FY 2024-25

- Non-Executive and Non-Independent Directors have not received any sitting fees or commission based on the net profits of the Company. Furthermore, there were no pecuniary relationships or transactions between the Company and its Non-Executive Directors during the financial year under review.
- Independent Directors are compensated by way of sitting fees for attending meetings of the Board and its Committees. The details of remuneration paid to Independent Directors during the year are provided below:

Name of the Directors	Sitting Fees paid for the FY 2024-25
Mr. Krishna Kumar Tiwary	₹ 4.80 Lakh
Mr. Sean Leslie Nossel	₹ 4.65 Lakh
Mr. Ashok Ranjan Samal	₹ 17.40 Lakh
Mr. Govinda Rajulu Chintala	₹ 6.40 Lakh
Mr. Prateek Shrivastava	₹ 7.57 Lakh

The remuneration paid to the Executive Directors are detailed as follows:

Name of the Directors	Salary	Performance Linked Incentives	Perquisites	Others
Mr. Gobinda Chandra Pattanaik	₹ 461 Lakhs	0	0	0
Mr. Dibyajyoti Pattanaik	₹ 218 Lakhs	0	0	0

Both the Executive Directors are Promoters of the Company and hold equity shares in the Company, however, no other Directors of the Company hold any Shares or Stock Options.

6.DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Annapurna Finance has adopted a Whistle Blower Policy to provide a formal vigil mechanism to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

7.GENERAL BODY MEETINGS

The details of the date, place, and special resolutions passed at the General Body Meetings (EGM and AGM) are mentioned below:

Sl No	TYPE OF MEETING (ANNUAL / EXTRA-ORDINARY)	DATE & PLACE	SPECIAL RESOLUTION PASSED
1.	Extra-Ordinary General Meeting	09-05-2024 at Registered Office of Company	a. Approval of revised Shareholding Pattern post Piramal secondary transaction b. Approval of appointment, Mr. Naval Totla, Nominee Director from Piramal c. Adoption of Restated AOA
2.	Extra-Ordinary General Meeting	05-07-2024 at Registered Office of Company	a. Approval of ESOP Plan-II of 2024 and adjustment made to Existing Options Under ESOP Scheme 2017 b. Approval of Annual Business Plan for FY 2024-26 and 5-years plan upto FY 2028-29.
3.	Annual General Meeting	08-08-2024 at Hotel Oberoi, Nariman Point, Mumbai, Maharashtra	a. Approval of the limit on issuance of Non Convertible Debenture (NCDs) under private placement basis in terms of section 42 of the Companies Act, 2013

There were no general meetings conducted through Postal Ballot during the year FY 2024-25.

8.MEANS OF COMMUNICATION :

8.1.CALENDAR OF THE FINANCIAL YEAR ENDED MARCH 31, 2025:

Annapurna Finance follows April-March as the financial year. The meetings of the Board of Directors for approval of quarterly and annual financial results for the financial year ended March 31, 2025, were held on the following dates:

Particulars	Date
Quarter ended June 30, 2024	August 07, 2024
Quarter/half-year ended September 30, 2024	November 13, 2024
Quarter ended December 31, 2024	February 06, 2025
Quarter/year ended March 31, 2025	May 23, 2025

8.2.QUARTERLY/HALF YEARLY AND ANNUAL RESULTS:

Prior intimation of the Board Meetings to consider and approve Unaudited / Audited Financial Results of the Company are given to the Stock Exchange and also disseminated on the official website annapurnafinance.in →Resources→Reports & Newsletters. After the aforesaid Financial Results are approved at the Board Meetings, the same are immediately intimated to the Stock Exchange. and also disseminated on the official website at <https://annapurnafinance.in>

8.3.ONLINE FILINGS:

Annapurna Finance complies with the online filing requirements on the electronic platform of BSE Limited (BSE) viz., BSE Listing Centre. The Members / Investors can view the details of electronic filings done by the Company on the websites of BSE at www.bseindia.com.

8.4.NEWSPAPERS PUBLICATIONS:

The Quarterly, Half-yearly, and Annual Results of the Company are published in nationwide circulated daily English newspapers.

8.5.WEBSITE DISCLOSURES:

Comprehensive information about Annapurna Finance, its business, and operations and investor information can be viewed at the official website at <https://annapurnafinance.in>→Resources. The official website is regularly updated to provide further ease of access to the requisite information prescribed under various provisions of the Act, the Listing Regulations, and the RBI Guidelines. The "Resources" section serves to inform the investors by providing key timely information like Financial Results, Annual reports, Audit Reports, Credit Rating reports, Company Policies, Various Intimations & Compliances such as Interest Payment Intimation, Record dates Intimation, etc.

8.6.SEBI COMPLAINTS REDRESSAL SYSTEM:

A centralized web-based complaints redressal system, which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports by the concerned Company and online viewing by the investors of actions taken on the complaint and its status.

8.7.ONLINE DISPUTE RESOLUTION MECHANISMS:

A platform for Online Dispute Resolution provides for establishing a common Online Dispute Resolution Portal which harnesses online conciliation and online arbitration for resolution of disputes. This initiative aims to enhance the efficiency and accessibility of dispute resolution processes.

9.GENERAL SHAREHOLDERS INFORMATION:

9.1.DETAILS OF AGM:

The details of Annual General meeting of Shareholders for FY- 2024-25 is available in the Notice of AGM as intimated to the shareholders.

9.2.FINANCIAL YEAR

April 1, 2024-March 31, 2025

9.3.DIVIDEND

The Company has not paid any dividends during the Year.

9.4.CORPORATE IDENTITY NUMBER (CIN):

U65999OR1986PTC015931

9.5.STOCK EXCHANGE DETAILS WHERE SECURITIES ARE LISTED:

Shares: Shares (Equity/ Preference) of the Company are not listed on any of the stock Exchange of India.

Security Type & ISIN: Equity Shares (INE515Q01015)

Debt Securities: Various Non-Convertible Debt Instruments are listed on the Stock Exchange, i.e. BSE Limited

Address: Department of Corporate Services, 1st Floor, P. J. Towers, Dalal Street, Mumbai - 400 001

Listed Debt Securities: Below-mentioned Non-Convertible Debentures (NCDs) are Listed on BSE Ltd, Outstanding as of March 31, 2025:

ISINs	SCRIP CODE	ISSUED AMOUNT (IN Rs.) IN CRORES	OUTSTANDING AMOUNT (IN Rs.) IN CRORE
INE515Q07228	958467	60.00	15.00
INE515Q08093	958764	30.00	30.00
INE515Q08218	974732	20.00	20.00
INE515Q08226	974998	120.00	120.00
INE515Q08242	975235	100.00	100.00
INE515Q08267	975605	100.00	100.00
INE515Q07632	976269	42.00	42.00

9.6. LISTING AND CUSTODIAL FEES:

Annapurna Finance has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. CDSL and NSDL, respectively, for the financial years 2024-25 and 2025-26.

9.7. STOCK CODE:

NIL

9.8. MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR:

Nil, as the shares of the Company is not listed.

9.9. CREDIT RATING OF DEBT INSTRUMENTS:

During the year under review, ICRA Limited has reaffirmed its rating on Non-Convertible Debentures including subordinated NCDs of the Company as A- (Stable). Further, CRISIL Limited (CRISIL) also has revised its rating outlook from Positive to stable on the NCDs (including subordinated NCD) as CRISIL A- (Stable). Whereas CARE Ratings Limited has revised its rating outlook from Positive to stable on the NCDs (including subordinated NCD) as A- (Stable).

NAME AND ADDRESS OF RATING AGENCY	
	ICRA Limited FMC Fortuna, A-10 & A-11, 3rd Floor, 234/3A, A.J.C. Bose Road, Kolkata—700020
	CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076
	CARE Limited Godrej Coliseum, 4th Floor, Somaiya Hosp Road, Off Exp Highway, Sion (E), Mumbai, Maharashtra -400022, India.

9.10. DISTRIBUTION OF EQUITY SHAREHOLDING AS OF 31ST MARCH 2025:

RANGE OF EQUITY SHARES	No. of EQUITY SHAREHOLDERS	PERCENTAGE	No. of SHARES	PERCENTAGE
Up to 5,000	0	0	0	0
5,001-10,000	0	0	0	0
10,001-50,000	0	0	0	0
50,001-1,00,000	0	0	0	0
1,00,001 and above	20	100	10,56,71,490	100
Total	20	100	10,56,71,490	100

9.11. REGISTRAR AND TRANSFER AGENT:

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents NSDL Database Management Limited having CIN: U72400MH2004PLC147094 and having registered office on the 4th Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai 400 013 is a company's Registrar & Share Transfer Agent registered with SEBI (SEBI Registration No. INR000004181) quoting their Folio No./DP ID & Client ID at the given address.

9.12. DETAILS OF SHARE TRANSFER AND DETAILS OF SECURITIES IN DEMATERIALIZED AND LIQUIDITY AS OF MARCH 31, 2025:

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. During the financial year 2024-25, some Existing shareholders holding in total 1,46,24,507 number of Equity shares of ₹10 each were transferred by way of secondary sale to the three new shareholders namely Piramal Alternatives Trust (1,18,57,708 Equity Shares), India SME Investments Fund – I (15,81,028 Equity Shares) and Mr. Anand Surana (11,85,771 Equity Shares).

According to the recent MCA notification dated 27.10.2023 inserting Rule 9B under Companies (Prospectus and Allotment of Securities) Rules, 2014 regarding the Issue of securities in dematerialized form by private companies, directing every private companies other than small companies, to issue securities only in Demat form and facilitating dematerialization of all its securities, and the Company is in process of complying the circular. The Demat status of securities are provided below:

Particulars	Nos. of Shares (as on 31.03.2025)	Percentage %
Equity with NSDL (Dematerialized Form)	924,30,142	85.05
Equity with CDSL (Dematerialized Form)	44,79,800	4.12
Equity in Physical Form	87,61,548	8.07
CCPS in Physical Form	30,00,000	2.76
Total No. of Shares	10,86,71,490	100.00

As on March 31, 2025, Annapurna Finance has 30,00,000 numbers on Compulsorily Convertible Preference Shares held in physical form. All the debentures issued and allotted are held in Demat Form. None of the securities of the Company are suspended for trading as on March 31, 2025.

NAME AND ADDRESS OF DEPOSITORY	
	National Securities Depository Limited (NSDL) 3rd Floor, Naman Chamber, Plot C-32, G-Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051
	Central Depository Services (India) Limited (CDSL), 25th Floor, A Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel (East) Mumbai-400013

9.13. NAME AND ADDRESS OF DEBENTURE TRUSTEE:

CATALYST TRUSTEESHIP LIMITED

Address: 901,9th floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India

Email ID: ComplianceCTL-Mumbai@ctltrustee.com

Phone: 022-49220555 (Extn: 537/ 590/ 587)

PIRAMAL TRUSTEESHIP SERVICES PRIVATE LIMITED

Address: 4th Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg,
Lower Parel, Mumbai, 400013

9.14. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY DATE AND LIKELY IMPACT ON EQUITY:

NIL

9.15. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

NIL

9.16. PLANT LOCATIONS:

Being a financial services company, the Company has no plant locations.

9.17. ADDRESS FOR CORRESPONDENCE:

The correspondence address of the Company is its Registered Office provided herein below:

Annapurna Finance Private Limited

1215/1401, NH-16 Bypass Road, Infront Of Jaydev Vatika,

Khandagiri bari, Khandagiri, Bhubaneswar, Odisha 751030

Contact Person: Mr. Subrata Pradhan, Chief Compliance Officer and Company Secretary

Email - subrat@ampl.net.in



10. DISCLOSURES:

- a. During the year, there were no materially significant related party transactions with its promoters, Directors, the KMP, the management or relatives, or other designated people, that may have a potential conflict with the interests of the Company at large.
- b. There were no instances of non-compliance related to capital markets during the last three years. No penalty/stricture was imposed on Annapurna Finance by the Stock Exchanges or SEBI or any other statutory authorities on such matters during the last three years.
- c. Annapurna Finance has a well-defined risk management framework in place. It periodically places the key identified risks and the risk assessment and mitigation procedures followed by the Company to address or counter such risks before the RMC and the Board.
- d. All the mandatory and non-mandatory disclosures/information for stakeholders are shown on the official website.
- e. Commodity price risk or foreign exchange risk and hedging activities:
 - Annapurna Finance is exposed to foreign currency exchange rate fluctuation risk for its foreign currency borrowing. The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019) which require entities raising ECB for an average maturity of less than 5 years to hedge a minimum of 70% of its ECB exposure (principal and coupon). However, it hedges 100% of its entire ECB exposure for the full tenure of the ECB as per Board approved risk management policy.
 - For its FCB, the Company assesses the foreign currency exchange rates, tenure of FCB, and its fully hedged costs; and manages its currency risks by entering derivatives contracts as hedge positions in line with the Board approved policy.
- f. A certificate, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, has been received from M/s. Sushanta Pradhan & Associates, Company Secretaries (Membership No.: 29239) annexed to this report.
- g. During the financial year ended March 31, 2025, the Board has accepted all the recommendations of its Committees, which are mandatorily required.
- h. A sum of ₹ 161 lakhs, being the total fees (excluding taxes) was paid by the Company, on a consolidated basis to the Statutory Auditors for all services rendered by them.
- i. Disclosure by listed entity and its subsidiary of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' (Not including Loans and Advances in the nature of Loans, if any, given by the Company to its subsidiary): NIL
- j. Loans and advances in the nature of loans to subsidiaries by name and amount: NIL
- k. Corporate Governance Compliance: Annapurna Finance has duly complied with the requirements laid down in the provisions of the Listing Regulations for the purpose of ensuring Corporate Governance. A certificate to this effect is obtained from M/s. Sushanta Pradhan & Associates, Company Secretaries annexed to this report.
- l. All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary) requirements are given below:
 - I. The Company circulates the financial results separately to the Shareholders, as per their agreements;
 - II. Annapurna Finance's Financial Statements have been accompanied by unmodified audit opinion - both on a quarterly and yearly basis; and
 - I. The Internal Auditor of the Company reports directly to the Audit Committee and is a permanent invitee to all the Audit Committee Meetings.

- m. Code of Conduct: The Company has laid down a Code of Conduct for the Directors and Senior Management Personnel of it and also adopted a policy on Code of Conduct of Board of Directors & Senior Management Personnel through its duly convened board Meeting.

The Managing Director has confirmed and declared that all Members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

- n. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor: Kindly refer to the Financial Statement along with Audit Report 2025 as available on the website.
- o. Other items which are not applicable to the Company have not been separately commented upon.

ANNUAL DECLARATION ON CODE OF CONDUCT

I do hereby declare that pursuant to Regulation 26(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2025.

Sd/-
Gobinda Chandra Pattanaik
Managing Director
DIN: 02716330

Place : Bhubaneswar

Date : 23rd May, 2025

CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations 2015)

Date: 23.05.2025

To

The Board of Directors

Annapurna Finance Pvt Ltd

We the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Annapurna Finance Private Limited, incorporated under the Companies Act 1956, having its Registered Office At- 1215/1401, Khandagiri Bari, Infront of Jayadev Vatika, Khandagiri, Bhubaneswar, Odisha- 751030, hereby confirm and to the best of our knowledge and belief certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March 2025 and that to the best of their knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and, regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee on

(1) significant changes in internal control over financial reporting during the year, if any;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Annapurna Finance Pvt Ltd

Sd/-

Chief Executive Officer

For Annapurna Finance Pvt Ltd

Sd/-

Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Date: 16/05/2025

To

The Members of

Annapurna Finance Private Limited

Plot No. 1215/1401, Khandagiri Bari, In front of Jayadev Vatika, Khandagiri,

Bhubaneswar, Odisha- 751030, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Annapurna Finance Private Limited (hereinafter referred to as 'the Company') having CIN: U65999OR1986PTC015931 and incorporated under the Companies Act 1956, having its Registered Office At- 1215/1401, Khandagiri Bari, Infront of Jayadev Vatika, Khandagiri, Bhubaneswar, Odisha- 751030, produced before us by the Company, for the purpose of issuing this Certificate, in accordance with RBI Circular No RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 regarding Disclosures in Financial Statements- Notes to Accounts of NBFCs and Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification as considered necessary (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the financial year ended March 31, 2025, has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

SL. No	BOARD OF DIRECTORS	DIN	DATE OF APPOINTMENT
1	Mr. Gobinda Chandra Pattanaik	02716330	13/08/2009
2	Mr. Dibyajyoti Pattanaik	02764187	14/09/2009
3	Mr. Ashok Ranjan Samal	00918164	17/10/2016
4	Mr. Govinda Rajulu Chintala	03622371	25/09/2023
5	Mr. Sunit Vasant Joshi	02962154	19/05/2020
6	Mr. Mecherimadam Ramakrishnan Venkiteswaran	08286433	25/09/2020
7	Ms. Radhika Jayant Shroff	09210584	25/06/2021
8	Mr. Abhishek Agrawal	06760344	23/12/2021
9	Mr. Ajay Bhaskar Limaye	02762738	25/09/2023
10	Mr. Pramod Kumar Vijayvargia	03128554	02/01/2025
11	Mr. Naval Jawaharlal Totla	02408585	07/05/2024
12	Mr. Prateek Shrivastava	10642432	12/06/2024

Note: During the financial year 2024-25, Mr. Krishna Kumar Tiwary (w.e.f 05-06-2024), Mr. Sean Leslie Nossel (w.e.f 05-06-2024) Ms. Christina Stefanie Juhasz(w.e.f 10-06-2024, Mr. Ranganathan Varadarajan Dilip Kumar (w.e.f 07-05-2024), Mr. Guillaume Accarain (w.e.f 31-05-2024) and Mr. Arup Kumar (w.e.f 02-01-2025) were ceased to be Directors.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the same, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Sushanta Pradhan & Associates,
Company Secretaries

Sd/-

CS Sushanta Pradhan
Membership No.: 29239

C P No.: 14238

UDIN: A029239G000358722

Place: Sambalpur

Date: 16th May 2025

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

(Pursuant to Schedule V (Para E) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Annapurna Finance Private Limited
Plot No. 1215/1401, Khandagiri Bari,
In front of Jayadev Vatika, Khandagiri,
Bhubaneswar, Odisha- 751030, India

We have examined the compliance with the conditions of Corporate Governance by Annapurna Finance Private Limited for the year ended 31st March, 2025 in terms of Regulations 17 to 27 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, based on the records, documents, books, and other information furnished and according to the explanations given to us, we certify that the Company has, during the period under review, complied with the conditions of Corporate Governance as per Regulations 17 to 27 of Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Sushanta Pradhan & Associates,
Company Secretaries

Sd/-
CS Sushanta Pradhan
Membership No.: 29239
C P No.: 14238
UDIN: A029239G000358801

Place: Sambalpur
Date: 16th May 2025

STANDALONE BALANCE SHEET AS AT MARCH 31, 2025

(In ₹ Lakhs unless otherwise stated)

PARTICULARS	NOTES	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	31,185	25,936
(b) Bank balance other than (a) above	5	18,587	48,197
(c) Derivative financial instruments	6	990	1,620
(d) Receivables			
(i) Trade receivables	7	75	2
(e) Loans (refer note 40.1)	8	7,45,048	7,35,948
(f) Investments	9	27,974	19,998
(g) Other financial assets	9.1	59,954	50,428
Subtotal - financial assets (A)		8,83,813	8,82,129
2. Non-financial assets			
(a) Current tax assets (net)	10.1	4,718	4,704
(b) Property, plant and equipment	11	3,158	2,853
(c) Other intangible assets	13	567	492
(d) Other non-financial assets	9.2	2,364	2,414
Subtotal - non- financial assets (B)		10,807	10,463
Total assets (A+B)		8,94,620	8,92,592
LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Derivative financial instruments	6	937	202
(b) Payables			
(i) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	14	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,534	1,601
(c) Debt securities	15	45,468	87,787
(d) Borrowings (other than debt securities)	16	5,65,492	5,60,417
(e) Subordinated liabilities	17	86,041	46,264
(f) Other financial liabilities	17.3	25,471	34,385
Subtotal - financial liabilities (A)		7,24,943	7,30,656
2. Non-financial liabilities			
(a) Provisions	18	1,339	1,112
(b) Deferred tax liabilities (net) (refer note 40.1)	10.2	2,607	1,104
(c) Other non-financial liabilities	17.4	554	507
Subtotal- non- financial liabilities (B)		4,500	2,723
Total liabilities (A+B)		7,29,443	7,33,379
3. Equity			
(a) Equity share capital	19	10,157	10,154
(b) Instruments entirely equity in nature	20	300	300
(c) Other equity (refer note 40.1)	21	1,54,720	1,48,759
Subtotal - Equity (C)		1,65,177	1,59,213
Total liabilities and equity (A+B+C)		8,94,620	8,92,592

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Noida
Date: May 23, 2025

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Place: Puri
Date: May 23, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

(In ₹ Lakhs unless otherwise stated)

PARTICULARS	NOTES	FOR THE YEAR ENDED MARCH 31, 2025	FOR THE YEAR ENDED MARCH 31, 2024
Revenue from operations			
(i) Interest income	22	1,80,719	1,64,779
(ii) Fees and commission income	23.1	669	4
(iii) Net gain on fair value changes	23.2	1,291	1,503
(iv) Net gain on derecognition of financial instruments measured at fair value through other comprehensive income	23.3	34,037	39,673
(I) Total revenue from operations		2,16,716	2,05,959
(II) Other income	24	1,610	1,135
(III) Total income (I + II)		2,18,326	2,07,094
Expenses			
Finance costs	25	83,591	80,220
Fees and commission expense		3,859	92
Impairment on financial instruments	26	38,878	32,464
Employee benefits expenses	27	58,397	43,671
Depreciation, amortisation and impairment	28	1,741	1,623
Other expenses	29	22,812	17,921
(IV) Total expenses		2,09,278	1,75,991
(V) Profit before tax (III-IV)		9,048	31,103
(VI) Tax expense:			
Current tax	10.3	283	169
Deferred tax		1,841	7,692
(VII) Profit for the year (V-VI)		6,924	23,242
(VIII) Other comprehensive income (OCI)			
A Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liabilities		304	110
Income tax relating to items that will not be reclassified to profit or loss		(77)	(28)
Subtotal (A)		227	82
B Items that will be reclassified to profit or loss			
Changes in fair value of loans carried at FVTOC (refer note 40.1)		(44)	(6,143)
Gain/(loss) on derivative instruments in cash flow hedge		(1,601)	(601)
Changes in fair value of investments carried at FVTOCI		-	(4)
Income tax relating to items that will be reclassified to profit or loss		415	1,699
Subtotal (B)		(1,230)	(5,049)
Other comprehensive loss (A+B)		(1,003)	(4,967)
(IX) Total comprehensive income for the year (VII) + (VIII)		5,921	18,275
(X) Earnings per equity share (face value of Rs 10 each)			
Basic (Rs)	30	6.63	24.63
Diluted (Rs)		6.35	20.64

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Lalit Kumar
Partner
Membership No.: 095256

Place: Noida
Date: May 23, 2025

For and on behalf of the Board of Directors of
Annapurna Finance Private Limited

Gobinda Chandra Pattanaik
Managing Director
(DIN: 02716330)

Dibyajyoti Pattanaik
Director
(DIN: 02764187)

Subrat Pradhan
Company Secretary

Satyajit Das
Chief Financial Officer

Place: Puri
Date: May 23, 2025

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(In ₹ Lakhs unless otherwise stated)

Particulars	Notes	For the year ended	
		March 31, 2025	March 31, 2024
Cash flows from operating activities			
Profit before tax		9,048	31,103
Adjustments for:			
Depreciation, amortisation and impairment	28	1,741	1,623
Impairment on financial instruments	26	38,878	32,796
Profit on sale of property, plant and equipment	24	(2)	(3)
Profit on sale of current investments	23.2	(1,291)	(1,503)
Share based payments to employees	27	28	32
Interest income	22	(1,80,719)	(1,64,779)
Finance cost	25	83,591	80,220
		(57,774)	(51,614)
Operational cash flows from interest:			
Interest income received		1,76,472	1,62,697
Finance cost paid		(87,431)	(81,995)
		89,041	80,702
Movements in working capital:			
Changes in other financial and non financial assets		(6,659)	(9,144)
Changes in bank balance other than cash and cash equivalents		29,610	35,838
Changes in trade receivables		(73)	(2)
Changes in loans		(41,931)	(1,52,908)
Changes in other financial and non financial liabilities		(8,575)	6,206
Changes in provisions		227	(211)
Changes in trade payables		(67)	(235)
		(27,468)	(1,20,456)
Income tax paid (net of refunds)		(293)	(702)
Net cash flows generated from / (used in) operating activities (A)		12,554	(60,967)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,487)	(1,543)
Proceeds from sale of property, plant and equipment		34	41
Purchase of other intangible assets		(339)	(409)
Purchase of current investments		(5,23,436)	(3,92,635)
Proceeds from sale of current investments		5,17,714	3,83,307
Investment in other investments		(6,007)	-
Net cash flows used in investing activities (B)		(13,521)	(11,239)
Cash flows from financing activities			
Proceeds from issuance of equity share capital (including securities premium)		64	115
Proceeds from debt securities		4,200	14,108
Repayment of debt securities		(45,401)	(52,815)
Repayment of interest portion of lease liabilities		(71)	(67)
Repayment of principal portion of lease liabilities		(221)	(188)
Proceeds from borrowings (other than debt securities)		3,81,522	4,29,087
Repayment of borrowings (other than debt securities)		(3,73,877)	(3,82,377)
Proceeds of subordinated liabilities		40,000	22,000
Repayment of subordinated liabilities		-	(7,400)
Net cash flows generated from financing activities (C)		6,216	22,463
Net change in cash and cash equivalents (A+B+C)		5,249	(49,743)
Cash and cash equivalents at the beginning of the year		25,936	75,679
Cash and cash equivalents at the end of the year		31,185	25,936
Components of cash and cash equivalents at the end of the year			
On current accounts		28,983	24,234
Deposit with original maturity of less than three months		1,567	1,120
Cash on hand		635	582
Total cash and cash equivalents at the end of the year		31,185	25,936

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

Lalit Kumar

Partner

Membership No.: 095256

Place: Noida

Date: May 23, 2025

For and on behalf of the Board of Directors of

Annapurna Finance Private Limited

Gobinda Chandra Pattanaik

Managing Director

(DIN: 02716330)

Subrat Pradhan

Company Secretary

Place: Puri

Date: May 23, 2025

Dibyajoti Pattanaik

Director

(DIN: 02764187)

Satyajit Das

Chief Financial Officer

SCAN THE QR CODE TO ACCESS THE AUDITED FINANCIAL REPORT FOR FY25



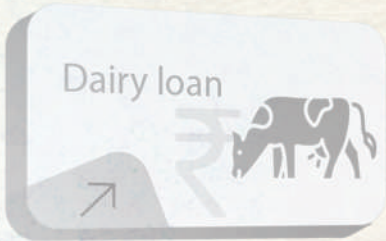
ABBREVIATIONS (A-Z)

2FA - Two-Factor Authentication	ECL - Expected Credit Loss
AA - Account Aggregator	ED - Employees' Deposit
ABMs - Assistant Branch Managers	EPS-Earning Per shares
AD - Active Directory	ESOP-Employees stock option plan
AFISAR - Agent for Impact Sustainability Alignment Rating	EDR - Endpoint Detection and Response
AGM-Annual General Meeting	eKYC - Electronic Know Your Customer
AI - Artificial Intelligence	EGM- Extra Ordinary General Meeting
ALCO - Asset Liability Management Committee	ERP - Enterprise Resource Planning
AML - Anti-Money Laundering	ERM - Enterprise Risk Management
AOA: Article of Association	ESIC-Employees' State Insurance Corporation
ALM-Assets Liability Management	ESG-Environmental, Social, and Governance
ATM - Automated Teller Machine	ESMS-Environmental and Social Management System
BBPS - Bharat Bill Payment System	EV-3W - Electric Vehicle (3-Wheeler)
BI - Business Intelligence	FD - Fixed Deposit
BM's - Branch Managers	FCOs - Field Credit Officers
BOPT - Board of Practical Training	FCB-Foreign Currency Borrowing
BRE - Business Rule Engine	FDLT - Financial & Digital Literacy Training
BSE: Bombay Stock Exchange	FPC - Fair Practices Code
CA - Chartered Accountant	FY - Financial Year
CARE - Customer Advocacy & Redressal Excellence	GDP - Gross Domestic Product
CDSL-Central Depository Services Limited	GIS - Geographic Information Systems
CEP - Customer Engagement Platform	HH - Household
CERT-In - Computer Emergency Response Team	HO - Head Office
CGE - Customer Grievance and Engagement	HR - Human Resource
CGFMU - Credit Guarantee Fund for Micro Units	HRMS - Human Resource Management System
CGWB - Central Ground Water Board	ICAAP - Internal Capital Adequacy Assessment Process
CIBIL - Credit Information Bureau (India) Limited	ICCs - Internal Complaints Committees
CO ₂ - Carbon Dioxide	ID - Identification
CO ₂ e - Carbon Dioxide Equivalent	IBL - Individual Business Loan
COSO - Committee of Sponsoring Organizations	ICRA-Investment Information and Credit Rating Agency
CRC - Customer Relationship Committee	IMF - International Monetary Fund
CRM - Customer Relationship Management	IMPS - Immediate Payment Service
CSPs - Customer Service Points	Ind AS - Indian Accounting Standards
CSR - Corporate Social Responsibility	IO - Internal Ombudsman
CUG - Closed User Group	IRAC - Income Recognition and Asset Classification
CRAR-Capital Adequacy Ratio	IVR - Interactive Voice Response
CRISIL-Credit Rating Information Services of India Limited	JEE - Joint Entrance Examination
DEA - Depositor Education and Awareness (RBI)	JIT - Just-in-Time
DEI - Diversity, Equity & Inclusion	JLG - Joint Liability Group
DMZ - Demilitarized Zone	KRI-Key Risk Indicator
DOs - Development Officers	KFS - Key Fact Sheets
DRE - Decentralized Renewable Energy	KMP-Key Managerial Personal
E ² - Excel the Excellence	KYC - Know Your Customer
ECB-External Commercial Borrowings	LCR - Liquidity Coverage Ratio

LEAD - Leadership Exploration and Development	ROI - Rate of Interest
LMS - Loan Management System	RMC- Risk Management Committee
LOS - Loan Origination System	RNOs - Regional Nodal Officers
MBA - Master of Business Administration	RTS - Rooftop Solar
MFIN - Microfinance Institutions Network	SBRA - Scale-Based Regulatory Approach
MMU - Mobile Medical Unit	SC/ST - Scheduled Castes and Scheduled Tribes
MPI - Multidimensional Poverty Index	SDGs - Sustainable Development Goals
MRMC/BRMC - Management-level Risk Management Committee / Board Risk Management Committee	SEED - Skill Enhancement and Employee Development
MSME - Micro, Small, and Medium Enterprise	SEIA - Socio-Economic Impact Assessment
MWh - Megawatt-hours	SIEM - Security Information and Event Management
NACH - National Automated Clearing House	SLAs - Service Level Agreements
NATS - National Apprenticeship Training Scheme	SMS - Short Message Service
NDA - National Defence Academy	SMP: Senior Management Personnel
NEET - National Eligibility cum Entrance Test	SOC - Security Operations Center
NLP - Natural Language Processing	SOP - Standard Operating Procedure
NBFC - Non-Banking Financial Company	SQL - Structured Query Language
NITI Aayog - National Institution for Transforming India Aayog	SWASTH - Safe Water and Sanitation to Households
NPS - Net Promoter Score	TAT - Turnaround Time
NPA- Non Performing Assets	TIH - Technology Innovation Hub
NCD-Non-Convertible Debentures	tCO ₂ e - Tonnes of Carbon Dioxide Equivalent
NSDL-National Securities Depository Limited	UPI - Unified Payments Interface
OEM - Original Equipment Manufacturer	UPHCs - Urban Primary Health Centres
ONDC - Open Network for Digital Commerce	USD - United States Dollar
OSAFII - Odisha State Association of Financial Inclusion Institutions	VAPT - Vulnerability Assessment and Penetration Testing
OTP - One-Time Password	WAF - Web Application Firewall
OCD-Optionally Convertible Debentures	WLDP - Women Leadership Development Programme
PAN - Permanent Account Number	YLDP - Young Leaders Development Programme
PNO - Principal Nodal Officer	YoY - Year-on-Year
PPI - Poverty Probability Index	ZO/RO - Zonal and Regional Office
POSH - Prevention of Sexual Harassment	
PM-Kisan - Pradhan Mantri Kisan Samman Nidhi	
PMAY - Pradhan Mantri Awas Yojana	
PLR - Prime Lending Rate	
QR - Quick Response	
RCSA- Risk and Control Self-Assessment	
RBAC - Role-Based Access Control	
RBI - Reserve Bank of India	
RBI-DEA - Reserve Bank of India's Depositor Education and Awareness	
RBIA - Risk-Based Internal Audit	
RCS - Rich Communication Services	
RD - Recurring Deposit	



**Growing
Together**



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