

Independent Auditor's Review Report on the unaudited quarterly and year to date Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015, as amended

Review Report to,
The Board of Directors of Agriwise Finserv Limited (formerly known as StarAgri Finance Limited)

1. We have reviewed the accompanying statement of unaudited financial results of Agriwise Finserv Limited (formerly known as StarAgri Finance Limited) (the 'Company') for the quarter ended December 31, 2021 and year to date from April 01, 2021 to December 31, 2021 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Regulations').
2. This Statement, which is the responsibility of the Company's Board of Directors and have been approved by them, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, as amended (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in

terms of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

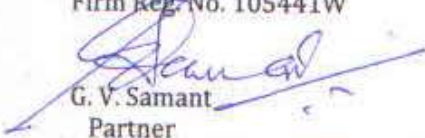
Emphasis of Matter

5. We draw attention to Note 4 to the Statement, which describes the uncertainty continuing to be caused by COVID 19 pandemic and related events impacting the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.

Other Matters

6. The figures for the quarter ended June 30, 2021, have been approved by the Company's Board of Directors but have not been subjected to a review. The comparative figures of the quarter ended September 30, 2021 are the balancing figures in respect of figures for the half year ended September 30, 2021 and for the quarter ended June 30, 2021. Our conclusion is not modified in respect of this matter.
7. The Ind AS financial results of the Company for the year ended March 31, 2021, were audited by predecessor auditor who expressed an unmodified conclusion/opinion on those financial information on June 29, 2021. Our conclusion is not modified in respect of this matter.

For S. N. Kulkarni & Co
Chartered Accountants
Firm Reg. No. 105441W


G. V. Samant
Partner
Membership No.: 14802

UDIN: 22014802ABESUB5416

Place: Mumbai
Date: February 10, 2022

Agriwise Finserv Limited (formerly known as StarAgri Finance Limited)
Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2021

(Currency : Indian Rupees in lakhs, except share data)

	Particulars	Quarter Ended		Nine Month Ended	Year Ended
		December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2021 (Unaudited)	March 31, 2021 (Audited)
1	Revenue from operations				
	Interest Income	1,072.40	1,006.35	3,398.24	5,144.26
	Net gain on fair value changes	(0.46)	0.44	0.80	1.21
	Fees and commission Income	-	-	-	0.11
	Total Revenue from operations	1,071.94	1,006.79	3,399.04	5,145.58
2	Other Income	113.13	113.28	256.56	302.96
3	Total Income (1+2)	1,185.07	1,120.07	3,655.60	5,448.54
4	Expenses				
	Finance Costs	330.76	366.01	1,157.84	2,364.95
	Impairment on financial instruments	(1,317.65)	(791.20)	617.72	805.00
	Employee Benefits Expenses	259.83	233.89	732.82	1,040.52
	Depreciation, amortization and impairment	41.29	60.80	148.61	129.04
	Other expenses	168.94	133.21	396.41	624.28
	Total Expenses	(516.83)	2.71	3,053.40	4,963.79
5	Profit/(loss) before tax (3-4)	1,701.90	1,117.36	602.20	484.75
6	Tax Expense:				
	(1) Current Tax	-	-	-	146.83
	(2) Deferred Tax	521.72	340.05	187.04	0.37
		521.72	340.05	187.04	147.20
7	Profit/(loss) for the period/year (5-6)	1,180.18	777.31	415.16	337.55
8	Other Comprehensive Income				
	<u>A. Items that will not be reclassified to profit or loss</u>				
	Actuarial gain/(loss) on employee defined benefits	-	1.42	1.42	5.66
	Income tax relating to items that will not be reclassified to profit or loss	-	(0.36)	(0.36)	(1.42)
	Subtotal (A)	-	1.06	1.06	4.24
	<u>B. Items that will be reclassified to profit or loss</u>				
	Subtotal (B)			-	-

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Particulars	Quarter Ended		Nine Month Ended	Year Ended
	December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2021 (Unaudited)	March 31, 2021 (Audited)
Other Comprehensive Income (A+B)	-	1.06	1.06	4.24
Total Comprehensive Income for the period/year (7+8)	1,180.18	778.37	416.22	341.79
Earnings per equity share (for continuing operations)*				
Basic (Rs.)	0.79	0.52	0.28	0.22
Diluted (Rs.)	0.78	0.51	0.27	0.22
*Not annualised for the quarters ended December 31, 2021, September 30, 2021 and Nine Month ended December 31, 2021				

**For and on behalf of the Board of Directors of
Agriwise Finserv Limited**

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Amith Agarwal
Executive Director
DIN: 01140768

Notes:

- 1) The Name of company has been changed from "StarAgri Finance Limited" to "Agriwise Finserv Limited" w.e.f. October 15, 2020.
- 2) The above financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended and the Indian Accounting Standards ("IND AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ("the Act") read with the rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification issued by the Reserve Bank of India or other regulators are implemented as and when they are applicable.
- 3) The above results were reviewed by the audit committee and were approved and taken on the record by the Board of Directors at their meeting held on February 10, 2022.

In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of financial results for the quarter and nine months ended December 31, 2021 has been carried by the Statutory Auditors of the Company.

Pursuant to SEBI circular dated October 05, 2021, the Company has elected an option to not present the figures for the corresponding quarter ended and nine months December 31, 2020.

- 4) In accordance with the Board approved moratorium policy read with the Reserve Bank of India(RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19-Regulatory Package', the Company had granted moratorium upto six months on the payment of instalments which became due between March 01, 2020 and August 31, 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgments and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

- 5) The figures for quarter ended June 30, 2021 are approved by the Board of Directors and were not subjected to review by Statutory Auditors of the Company. The figures of the quarter ended September 30, 2021 are the balancing figures in respect of figures for the half year ended September 30, 2021 and for the quarter ended June 30, 2021.
- 6) The Code on Social Security, 2020 ("Code") relating to employee benefits during the employment and post-employment benefits has been published in the Gazette of India on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which these changes are applicable is yet to be notified. The Company will assess and record the impact, if any when the rules are notified and the Code becomes effective.
- 7) The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six Months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether moratorium as per RBI regulatory package was availed or not. The Company has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme, amounting to Rs.60.56 lakhs. The Company has filed its claim for the ex-gratia with State Bank of India as per the Scheme and has received an amount of Rs. 55.64 lakh as on March 31, 2021.
- 8) In view of the Honourable Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as impaired non-performing assets (NPA) (stage3)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Company had not classified any additional borrower account as NPA as per the Reserve Bank of India or other Regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has complied with the asset classification of borrower accounts as per the ECL model under Ind AS financial statements for year ended March 31, 2021.

- 9) During the year company has transferred certain loans from its portfolio to Asset Reconstruction Company (ARC). Disclosure pursuant to RBI notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 is given below :-

A. Details of stressed loans transferred during nine months ended December 31, 2021

Particulars	To ARC
Number of Accounts	355 Loans
Aggregate Principle outstanding of loans transferred	Rs. 5,432.49 Lakhs
Weighted average residual tenor of the loans transferred	98 Months
Net book value of loans transferred (at the time of transfer)	Rs. 2,554.53 Lakhs
Aggregate consideration	Rs. 4,800.00 Lakhs
Additional consideration realized in respect of accounts transferred in earlier years	-
Amount of Excess provision reversed on account of stressed loans.	Nil

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

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

- 11) There is only one segment in which company is operating i.e. lending and hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 12) The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

For and on behalf of the Board of Directors of

Agriwise Finserv Limited

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Executive Director

DIN: 01140768

Annexure

- (i) Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on December 31, 2021 are being utilized as per the objects stated in the offer document. Further, we also confirm that there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- (ii) Pursuant to Regulation 54 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we would like to state that all secured & redeemable debt securities issued by the Company and outstanding as on December 31, 2021 are fully secured by first charge / pari passu charge, as the case may be, on the property and on present & future receivables, book debts, loans and other financial & non- financial assets. Accordingly, the Company is maintaining asset cover of 1.1x or such higher asset cover required as per the terms of offer document/Information Memorandum.
- (iii) Information as required pursuant to Regulation 52 (4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

	Particulars	Nine Month ended	Year ended
		December 31, 2021	March 31, 2021
1.	Debt-equity Ratio	0.81	1.24
2.	Capital redemption reserve (Rs.in Lakhs)	Nil	Nil
3.	Debenture redemption reserve (Refer note 2)	Nil	Nil
4.	Net worth (Rs.in lakhs) (Refer note 3)	16,939.45	16,359.68
5.	Debt Service Coverage Ratio (Refer note 4)	NA	NA
6.	Interest Service Coverage Ratio (Refer note 4)	NA	NA
7.	Asset Cover Available (Refer note 4)	NA	NA
8.	Outstanding redeemable preference shares (no.of shares)	Nil	Nil
9.	Outstanding redeemable preference shares (Rs. In lakhs)	Nil	Nil
10.	Earning per Share	Nil	Nil
	- Basic	0.28	0.22
	- Diluted	0.27	0.22
11.	Total debt to Total assets (%)	43.57%	53.78%
12.	Net profit after tax (Rs. In Lakhs)	415.16	337.55
13.	Net profit margin (%)	11.36%	8.90%
14.	Sector specific relevant ratios		
	(a) CRAR	59.86%	47.80%
	(a) Gross Stage 3 asset (%)	1.68%	7.44%
	(a) Net Stage 3 asset (%)	0.83%	3.69%

Note:

- 1 Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities + sub-ordinated liabilities) / Net worth

- 2 As per Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014 the Company, being NBFC, is not required to create debenture redemption reserve in respect of privately placed debentures.
- 3 $\text{Net worth} = \text{Equity share capital} + \text{Other Equity} - \text{Deferred Tax Assets}$
- 4 The Company being NBFC, this disclosure is not applicable pursuant to provision to Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.
- 5 $\text{Total debt to Total assets} = (\text{Debt securities} + \text{Borrowings other than debt securities} + \text{subordinated liabilities}) / \text{Total assets}.$
- 6 $\text{Net profit margin} = \text{Net Profit for the period} / \text{Total Income}$
- 7 Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable.

**For and on behalf of the Board of Directors of
Agriwise Finserv Limited**

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